

## STATE OF MINNESOTA

## SEVENTY-THIRD SESSION - 1984

## SEVENTIETH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 2, 1984

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 Reverend Howard Gravrock, American Lutheran Church, Edina, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Hoberg and Shea were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek 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. 1418, 1445, 1446, 1507, 1550, 1606, 1658, 1706, 1774, 1878, 1911, 1912, 1918, 1936, 1998, 2180, 585, 1404, 1436, 1466, 1561, 1633, 1635, 1651, 1673, 1680, 1743, 1830, 1839, 1853, 1913, 1946, 1974, 2009, 1180, 1273, 1325, 1533, 1553, 1632, 1775, 1803, 1875, 1915, 1952, 1877, 2063, 1347 and 1528 and S. F. Nos. 1127, 1139, 1331, 1433, 1757 and 311 have been placed in the members' files.

S. F. No. 1757 and H. F. No. 1830, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Welch moved that the rules be so far suspended that S. F. No. 1757 be substituted for H. F. No. 1830 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1127 and H. F. No. 1153, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 1127 be substituted for H. F. No. 1153 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1139 and H. F. No. 1180, 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. 1139 be substituted for H. F. No. 1180 and that the House File be indefinitely postponed. The motion prevailed.

#### REPORTS OF STANDING COMMITTEES

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 207, A bill for an act relating to game and fish; authorizing the use of dogs in taking bear; amending Minnesota Statutes 1982, section 100.29, subdivision 14.

Reported the same back with the following amendments:

Page 1, line 13, after "bear" insert "*under rules prescribed by the commissioner*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 288, A bill for an act relating to energy; establishing a residential rental property weatherization disclosure program; requiring the filing of a certificate of compliance with minimum energy efficiency standards for renter-occupied residences; providing tenant enforcement of the standards; providing for the abatement of certain court actions; allowing a penalty in certain cases; appropriating money; amending Minnesota Statutes 1982, sections 116J.27, subdivision 3, and by adding a subdivision; and 116J.30, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

*Subd. 3a. [RESIDENTIAL RENTAL PROPERTY WEATHERIZATION COMPLIANCE PROGRAM.] (a) For purposes of this subdivision, "evaluator" means a person certified according to standards prescribed in subdivision 6 or pursuant to section 116J.31, a professional engineer or architect registered pursuant to sections 326.02 to 326.15, or a qualified person approved by the department.*

*(b) After January 1, 1985, and on or before January 1, 1986, the owner of a renter-occupied residence shall file with the commissioner a certificate of compliance with all applicable energy efficiency standards prescribed by subdivisions 1 and 3. The certificate shall be obtained from an evaluator following an inspection of the residence conducted after August 31, 1984, and recorded on a form provided by the commissioner. After inspection, if the evaluator determines that the energy efficiency standards prescribed by subdivisions 1 and 3 have been met, he or she shall issue and sign a certificate of compliance. The evaluator may charge a reasonable fee for inspecting the residence and issuing the certificate. No evaluator may inspect a residence and issue the certificate required by this subdivision if the evaluator has an ownership interest in the residence or is employed by any person having an ownership interest in the resi-*

dence. No evaluator may make energy efficiency improvements or profit directly or indirectly from the provision of energy efficiency improvements to a residence that he or she has inspected. The certificate for low-rent housing owned by a public housing authority or a housing and redevelopment authority as defined in section 462.421, subdivision 2, may be issued by an officer or employee of the authority or by an evaluator after completion of an energy audit as required by the United States department of housing and urban development pursuant to Code of Federal Regulations, title 24, sections 965.301 to 965.310, and completion of improvements necessary to bring the building into compliance with the requirements of subdivisions 1 and 3. The energy audit of low-rent housing may be conducted before September 1, 1984, but the certificate for low-rent housing shall indicate compliance with the standards to be in effect as of July 1, 1985. The commissioner shall adopt a form for the certificate. The commissioner shall maintain a file by street address of the certificates filed pursuant to this subdivision. The certificates shall be released to the public according to section 13.03. If a certificate is not on file for a residence, upon request of any person, the commissioner shall provide without charge a written statement that a certificate is not on file as of the date of execution of the statement. The statement is prima facie evidence in a court or administrative action of the facts it contains. The commissioner may charge a fee to owners, other than public housing authorities and housing and redevelopment authorities, who file certificates under this subdivision in an amount sufficient to defray the costs of administering the residential rental property weatherization compliance program. The commissioner may review whether a residence continues to meet the energy efficiency standards, and may revoke the certificate if the residence is not in compliance with the standards.

Sec. 2. Minnesota Statutes 1982, section 116J.27, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS.] The commissioner shall conduct inspections on a random basis for compliance with the provisions of subdivision 3. The commissioner (OF ENERGY, PLANNING AND DEVELOPMENT) may authorize a municipality, with its consent, to conduct the inspections within the municipality's jurisdiction, or to otherwise enforce the provisions of subdivision 3 or 3a. Any municipality which conducts an inspections or other enforcement program (IN CONJUNCTION WITH EXISTING CITY INSPECTION PROGRAMS) shall have authority under all subdivisions of section 116J.30 to enforce the provisions of (SUBDIVISION) subdivision 3 and 3a; provided that (50) 100 percent of the penalties (TO BE PAID TO THE STATE TREASURY) for violation of (SUBDIVISION) subdivision 3 or 3a shall be paid to the municipality.

Sec. 3. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

*Subd. 4a. [ENFORCEMENT AFTER INSPECTION.] If the commissioner determines, after an inspection conducted by or on behalf of the department, that a renter-occupied residence is not in compliance with the standards prescribed pursuant to subdivision 1, the commissioner may issue to the owner of the renter-occupied residence or the owner's agent a determination of non-compliance and may commence a contested case proceeding under sections 14.57 to 14.62. The determination shall (1) specify the reasons for the determination, (2) include a copy of the inspection report, (3) state the actions that must be taken to bring the residence into compliance with the standards, (4) state that if the residence is not brought into compliance with the standards within 90 days following the date of the determination, a contested case proceeding will be commenced, and (5) specify a fine that will be assessed upon the conclusion of the contested case proceeding in the absence of a showing of good cause in that proceeding. The contested case proceeding hearing shall be held in the county in which the renter-occupied residence is located. Notwithstanding the provisions of sections 14.50 and 14.61, the hearing examiner in the contested case proceeding shall make findings of fact and conclusions of law and issue a decision, and if the hearing examiner decides that the residence is not in compliance with the standards, the hearing examiner shall enter an order directing the owner to take such affirmative action as in the judgment of the hearing examiner will effectuate the purposes of section 116J.27.*

Sec. 4. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

*Subd. 4b. [ENFORCEMENT FOR FAILURE TO FILE CERTIFICATE.] If the commissioner determines that the certificate prescribed in subdivision 3a has not been filed for a renter-occupied residence, and if the residence is located in a municipality which has been authorized to conduct an enforcement program pursuant to subdivision 4, the commissioner may notify the municipality that the certificate has not been filed. If the renter-occupied residence is not located in a municipality that has been authorized to conduct an enforcement program, or if a municipality takes no enforcement action within 30 days following the date of notification from the commissioner, the commissioner may issue to the owner of the renter-occupied residence or the owner's agent a determination that the certificate has not been filed and may commence a contested case proceeding under sections 14.57 to 14.62. The determination shall state that if the certificate is not filed within 90 days following the date of the determination, a contested case proceeding may be commenced, and the determination shall specify the fine that will be assessed upon the conclusion of the contested case proceeding in the absence of a showing of good cause in that proceeding. Notwithstanding the provisions of sections 14.50 and 14.61, the hearing examiner in the contested case proceeding shall make findings of*

*fact and conclusions of law and issue a decision, and if the hearing examiner decides that the certificate has not been filed for the residence, the hearing examiner shall enter an order directing the owner to take such affirmative action as in the judgment of the hearing examiner will effectuate the purposes of section 116J.27.*

Sec. 5. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

*Subd. 4c. [FINES FOR NONCOMPLIANCE; EXCEPTION.] If the hearing examiner issues a decision, following a contested case proceeding commenced pursuant to subdivision 4a or 4b, that a renter-occupied residence is not in compliance with the standards prescribed pursuant to subdivision 1 or that the certificate prescribed in subdivision 3a has not been filed, and that the owner of the renter-occupied residence has not proven a good cause, as defined by rule or temporary rule adopted by the commissioner, for his failure to comply with the standards prescribed pursuant to subdivision 1 or his failure to file the certificate prescribed in subdivision 3a, the hearing examiner shall assess a fine against the owner in accordance with a schedule of fines adopted by the commissioner by rule or temporary rule. This subdivision shall not apply in the case of low-rent housing owned by a public housing authority or a housing and redevelopment authority as defined in section 462.421, subdivision 2.*

Sec. 6. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

*Subd. 4d. [CIVIL DAMAGES IN CERTAIN ACTIONS.] A tenant who occupies or occupied, after July 1, 1986, property subject to subdivision 3 and who makes a claim in a civil action against the owner before the certificate required under subdivision 3a is filed, shall be entitled to recover \$500 from the owner, provided that if the owner demonstrates good cause for not having filed the certificate, the recovery may be in an amount less than \$500. For purposes of this subdivision, the term "owner" has the meaning given in section 566.18, subdivision 3.*

Sec. 7. Minnesota Statutes 1983 Supplement, section 116J.27, subdivision 6, is amended to read:

*Subd. 6. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy efficiency standards. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage*

the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy efficiency standards established pursuant to subdivision 1. The inspections shall be made within 30 days of the request. (EVALUATORS SHALL BE CERTIFIED ONLY IF THEY ALSO MEET ALL REQUIREMENTS FOR CONDUCTING RESIDENTIAL ENERGY AUDITS PURSUANT TO 42 U.S.C. 8211 ET SEQ.) The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 8. Minnesota Statutes 1982, section 116J.30, is amended by adding a subdivision to read:

*Subd. 4. For purposes of sections 504.18 and 566.18 to 566.33, the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 116J.27, subdivisions 1 and 3, are health and safety standards, and the penalties and remedies provided in this section are in addition to and do not limit remedies otherwise available to tenants of renter-occupied residences.*

Sec. 9. Minnesota Statutes 1983 Supplement, section 290A.19, is amended to read:

**290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]**

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12th for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(c) The certificate of rent constituting property taxes shall include the *name, address, and social security or taxpayer identification number of each owner*, address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(d) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(e) *Effective January 1, 1986, the commissioner shall provide to the commissioner of the department of energy and economic development a list of all owners of residential rental property identified on the certificates of rent constituting property taxes. The list shall be prepared on a form adopted by the commissioner of the department of energy and economic development, and shall be provided by June 1 of each year.*

#### Sec. 10. [116J.275] [EXCEPTIONS.]

*Sections 1 and 3 to 6 do not apply to farm property consisting of five or more acres containing one single family residence, to owner-occupied single family residences, to single family residences which are rented for a period not to exceed four months in any 12-month period, and to condominium units.*

#### Sec. 11. [APPROPRIATION.]

*There is appropriated from the general fund to the commissioner of the department of energy and economic development the sum of \$80,000 to carry out the purposes of this act. The*



*complement of the department of energy and economic development is increased by two in fiscal year 1985.*

Sec. 12. [EFFECTIVE DATE.]

*Sections 1 to 3, 5, 7, 10, and 12 are effective the day following final enactment. Sections 8, 9, and 11 are effective July 1, 1984. Section 4 is effective January 1, 1986. Section 6 is effective July 1, 1986."*

Delete the title and insert:

"A bill for an act relating to energy: establishing a residential rental property weatherization compliance program; requiring the filing of a certificate of compliance with minimum energy efficiency standards for renter-occupied residences; providing certain remedies for noncompliance; making other changes; appropriating money; amending Minnesota Statutes 1982, sections 116J.27, subdivision 4, and by adding subdivisions; and 116J.30, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 116J.27, subdivision 6; and 290A.19; proposing new law coded in Minnesota Statutes, chapter 116J."

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. 322, A bill for an act relating to cities; regulating the residence of city employees; proposing new law coded in Minnesota Statutes, chapter 418.

Reported the same back with the following amendments:

Page 1, delete lines 8 to 13 and insert:

*"An employee of a home rule charter or statutory city located outside the metropolitan area defined in section 473F.02, subdivision 2, may reside anywhere within ten miles of the territory of the city, provided that the employee resides within the state of Minnesota. This section supersedes any more restrictive provision of a home rule charter, ordinance, or other law, but a city may make a less restrictive provision for residence."*

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. 427, A bill for an act relating to certain towns in Goodhue County; authorizing the town board to set the hours the polling places will be open in town elections.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 205.175, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN AREA TOWNS.] At any election of town officers, in a town which is located within (60 MILES OF A CITY OF THE FIRST CLASS HAVING A POPULATION OF AT LEAST 250,000) *a metropolitan county as defined by section 473.121*, the town board, by resolution adopted prior to giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent town elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the town board.

Sec. 2. Minnesota Statutes 1983 Supplement, section 205.175, subdivision 3, is amended to read:

Subd. 3. [OTHER TOWNS.] In any election of town officers in a town other than a town described in subdivision 2, the town board, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent town elections. The resolution shall remain in force until it is revoked by the town board *or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last town election, is presented to the town clerk no later than 30 days prior to the town election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The town clerk shall give ten days' notice of the changed voting hours and notify the county auditor of the change.*

Delete the title and insert:

"A bill for an act relating to town elections; authorizing towns to set the hours for polling places; amending Minnesota Statutes 1983 Supplement, section 205.175, subdivisions 2 and 3."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 600, A bill for an act relating to state income tax refunds; requiring proper notice before the state can collect debts by taking tax refunds; amending Minnesota Statutes 1982, section 270A.08, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 22, after "clearly" insert "*and with specificity*"

Page 1, line 23, after "refund" insert "*, including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred,*"

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1982, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 unless (a) an alternative means of collection is pending and believed to be adequate, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) the debt is barred by section 541.05."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 270A.04, subdivision 2; and"

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. 820, A bill for an act relating to recreational vehicles; requiring a three-year registration fee for three-wheel

off-road vehicles; requiring rules by the commissioner of natural resources; providing for local ordinances; requiring safety certificates of youthful operators; prescribing penalties; creating a three-wheel off-road vehicle account in the state treasury; appropriating funds; amending Minnesota Statutes 1982, section 84.90, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [84.92] [DEFINITIONS.]

*Subdivision 1. For the purposes of sections 1 to 9 the terms defined herein shall have the meaning given.*

*Subd. 2. "Commissioner" means the commissioner of natural resources acting directly or through his authorized agent.*

*Subd. 3. "Dealer" means a person, partnership, or corporation engaged in the business of selling three-wheel off-road vehicles at wholesale or retail.*

*Subd. 4. "Manufacturer" means a person, partnership, or corporation engaged in the business of manufacturing three-wheel off-road vehicles.*

*Subd. 5. "Owner" means a person, other than a lien holder, having the property in or title to a three-wheel off-road vehicle and entitled to the use or possession thereof.*

*Subd. 6. "Person" means an individual, partnership, corporation, the state and its agencies and subdivisions, and any body of persons, whether incorporated or not.*

*Subd. 7. "Register" means the act of assigning a registration number to a three-wheel off-road vehicle.*

*Subd. 8. "Three-wheel off-road vehicle" or "vehicle" means a motorized flotation-tired vehicle of not less than three low pressure tires, but not more than six tires, which is limited in engine displacement to not exceed 800 cubic centimeters and total dry weight to not exceed 600 pounds.*

Sec. 2. [84.922] [REGISTRATION.]

*Subdivision 1. [GENERAL REQUIREMENTS.] Except as hereinafter provided, no person shall after January 1, 1985, operate or transport any three-wheel off-road vehicle within the state unless the vehicle has been registered pursuant to this act, except three-wheel vehicles in transit by a manufacturer,*

*distributor, dealer, or vehicle exempted from registration under this section. No person shall sell a vehicle without furnishing the buyer a bill of sale on a form prescribed by the commissioner.*

**Subd. 2. [APPLICATION; ISSUANCE; REPORTS.]** *Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner shall prescribe, and shall state the name and address of every owner of the vehicle and be signed by at least one owner. Upon receipt of the application and the appropriate fee as hereinafter provided, such vehicle shall be registered and a registration number assigned which shall be affixed to the vehicle in such manner as the commissioner of natural resources shall prescribe. The commissioner shall use the existing snowmobile registration system to register vehicles under this section. Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of \$3 in addition to that otherwise prescribed by law shall be charged for each vehicle registered by a deputy registrar, and shall be deposited in the treasury of the place for which he is appointed, or retained if the deputy is not a public official.*

**Subd. 3. [REGISTRATION CARD.]** *The commissioner shall provide to the registrant a suitable registration card having the registration number stamped thereon and indicating the date of registration, the make and serial number of the vehicle, the owner's name and address, and any additional information as the commissioner may require. Information concerning each registration shall be retained by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed the commissioner shall issue a replacement registration card upon payment of a fee of \$4. All fees so collected shall be deposited in the general fund.*

**Subd. 4. [REPORT OF TRANSFERS.]** *Every person who sells or transfers ownership of any vehicle registered pursuant to this act shall report the sale or transfer to the commissioner. Transfer of ownership shall be made to the commissioner within 15 days of the date of transfer. An application for transfer is to be executed by the registered owner and the purchaser on a form prescribed by the commissioner together with the owner's registration certificate, a bill of sale, and a \$4 fee.*

**Subd. 5. [FEES FOR REGISTRATION.]** *The fee for registration of each vehicle pursuant to this act shall be \$15 for three years and \$4 for a duplicate or transfer. The commissioner*

and commissioner of public safety may charge and retain an additional \$3 registration granted for their services, which is to be placed in the general fund.

*Subd. 6. [RENEWAL.] Every owner of a three-wheel vehicle shall renew his registration in such manner as the commissioner shall prescribe, upon payment of the same registration fees in subdivision 5.*

*Subd. 7. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] A registration number shall be issued without the payment of a fee for three-wheel vehicles owned by the state of Minnesota or a political subdivision thereof upon application therefor.*

*Subd. 8. [EXEMPTIONS.] No registration shall be required for the following three-wheel off-road vehicles:*

- (1) vehicles used exclusively for work on agricultural lands;*
- (2) vehicles owned and used by the United States, another state, or a political subdivision;*
- (3) vehicles registered in a country other than the United States temporarily used within this state;*
- (4) vehicles covered by a valid license of another state and which have not been within this state for more than 30 consecutive days;*
- (5) vehicles used exclusively in organized track racing events.*

**Sec. 3. [84.923] [REQUIREMENTS OF MAKERS OF THREE-WHEEL OFF-ROAD VEHICLES.]**

*Subdivision 1. [IDENTIFICATION NUMBER.] All vehicles made after January 1, 1985, and sold in Minnesota, shall bear the manufacturer's permanent identification number stamped in letters and numbers in the form and at a location prescribed by the commissioner.*

*Subd. 2. [REGISTRATION NUMBER.] All vehicles made after January 1, 1985, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration number. This area shall be at a location and of dimensions prescribed by the commissioner.*

**Sec. 4. [84.924] [SAFETY EDUCATION AND TRAINING PROGRAM.]**

*Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a comprehensive three-wheel off-road vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of three-wheel off-road vehicle operators, and the issuance of three-wheel off-road vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the three-wheel off-road vehicle environmental and safety education and training course. For the purpose of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the training and shall deposit the fee in the general fund. The amount thereof is appropriated annually to the commissioner of natural resources for the administration of the program. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators.*

*Subd. 2. [YOUTHFUL OPERATORS.] No person under the age of 14 years shall operate a three-wheel off-road vehicle on any public land or water under the jurisdiction of the commissioner unless accompanied by one of the following persons on the same or an accompanying three-wheel off-road vehicle or on a device towed by the same or an accompanying three-wheel off-road vehicle: his parent, legal guardian, or other person 18 years of age or older. However, a person 12 years of age or older may operate a three-wheel off-road vehicle on public lands and waters under the jurisdiction of the commissioner if he has in his immediate possession a valid three-wheel off-road vehicle safety certificate issued by the commissioner. No person under the age of 16 years may operate a vehicle on public lands and waters under the jurisdiction of the commissioner unless he is wearing protective headgear that complies with standards of the commissioner of public safety.*

*It is unlawful for the owner of a three-wheel off-road vehicle to permit the vehicle to be operated contrary to the provisions of this section.*

**Sec. 5. [84.925] [VEHICLE USE ON TRAILS OF THE COMMISSIONER.]**

*On a case by case basis, the commissioner may allow vehicles on trails under his jurisdiction during specific seasons of the year.*

**Sec. 6. [84.926] [DIRECTORY AND INVENTORY OF USE AREAS.]**

*Subdivision 1. [METROPOLITAN DIRECTORY.] The commissioner, in cooperation and after consultation with the metropolitan council and local units of government within the seven county metropolitan area, shall inventory the potential public and private sites in the metropolitan area that can be used for three-wheel off-road vehicle use areas. By January 1, 1985, the commissioner shall publish a directory, in multiple copies for use by the public, of public sites in the metropolitan areas for vehicle use areas.*

*Subd. 2. [STATE INVENTORY OF MINING AREAS.] The commissioner, in cooperation with the iron range resources and rehabilitation board, shall inventory abandoned mining areas around the state and assess their potential for vehicle use areas. The commissioner shall report to the appropriate standing committees of the legislature before the 1986 session on what abandoned mining areas could be utilized for vehicle use and what problems could incur in their utilization.*

**Sec. 7. [84.927] [DISPOSITION OF RECEIPTS.]**

*Subdivision 1. [REGISTRATION REVENUE.] Fees from the registration of three-wheel off-road vehicles and the unfunded gasoline tax attributable to vehicle use pursuant to section 296.16 shall be deposited in the state treasury and credited to the general fund.*

*Subd. 2. [DETERMINATION OF TAX ALLOCATION.] The commissioner, along with the commissioners of revenue and transportation, shall jointly determine the amount of unfunded gasoline tax attributable to vehicle use in this state and shall report to the legislature by January 1, 1985, with a proposed revision of section 296.16 to reflect the results of this use.*

*Subd. 3. [PURPOSES.] The money deposited from the registration fees may be expended only as appropriated by law for the following purposes:*

- (1) for the vehicle information and safety education and training program under section 4;*
- (2) for administration of this act; and*
- (3) for acquisition and development of use areas.*

*By January 1, 1986, the commissioner shall report to the standing committees of each house of the legislature with jurisdiction over natural resources or appropriation matters on the number of vehicles registered pursuant to this act, the implementation of the vehicle information and safety education and training program, and the growth patterns of vehicle use in the state.*



## Sec. 8. [APPROPRIATIONS.]

*There is appropriated from the general revenue fund for fiscal year 1985, the following money for carrying out the provisions of this act:*

- (1) *survey and inventory, \$ . . . . .;*
- (2) *gas tax study, \$ . . . . .;*
- (3) *safety training and education, \$ . . . . .;*
- (4) *registration, \$ . . . . .*

## Sec. 9. [PENALTIES.]

*Any person who violates any provision of this act is guilty of a misdemeanor.*

## Sec. 10. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to recreational vehicles; requiring a three-year registration fee for three-wheel off-road vehicles; requiring safety certificates of youthful operators; prescribing penalties; appropriating funds; proposing new law coded in Minnesota Statutes, chapter 84."

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. 1264, A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels; amending Minnesota Statutes 1982, sections 326.46; 326.47; 326.48; and 326.50; proposing new law coded in Minnesota Statutes, chapters 175 and 326; repealing Minnesota Statutes 1982, section 326.49.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1315, A bill for an act relating to bicycles; allowing bicycle registrants to donate in excess of the registration fee to pay for costs of administering and publicizing the bicycle registration program and for developing bicycle education programs and recreational facilities and trails; providing criteria for fund allocation to political subdivisions; providing for reports to the legislature; providing for appointment of deputy registrars of bicycles; continuing the bicycle study review commission; amending Minnesota Statutes 1982, sections 168C.04; 168C.11; Laws 1976, chapter 199, section 14, subdivision 1.

Reported the same back with the following amendments:

Page 3, line 25, after "commissioner" insert "*of transportation*"

Page 3, line 29, strike "highways" and insert "*public safety*"

Page 4, line 7, delete "*bicycle study*"

Page 4, line 8, delete "*review committee*" and insert "*advisory committee on bicycling*"

Page 4, line 9, after "*function*" insert "*under that name*"

Page 4, line 10, delete "*state agencies*" and insert "*the commissioners of transportation and public safety*"

Page 4, after line 11, insert:

"Sec. 4. [APPROPRIATIONS.]

*Subdivision 1. [BICYCLE COORDINATION.] There is appropriated from the general fund to the commissioner of transportation the sum of \$ . . . for the creation and support of a state bicycle coordinator's office in the program management division. This appropriation is available until June 30, 1985.*

*Subd. 2. [COMMUNITY BICYCLE SAFETY PROGRAMS.] There is appropriated from the general fund to the commissioner of public safety the sum of \$ . . . for the support and coordination of community bicycle safety programs. This appropriation is available until June 30, 1985, provided that it may be expended by the commissioner only if insufficient federal funds are available to him for this purpose."*

Renumber subsequent section

Amend the title as follows:

Page 1, line 11, after "commission" insert "as the advisory committee on bikeways and bikeway safety"

Page 1, line 11, before "amending" 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.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1338, A bill for an act relating to elections; clarifying certain provisions relating to voting machines; amending Minnesota Statutes 1982, sections 123.32, subdivision 7; 204C.24, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1982, sections 206.01 to 206.23.

Reported the same back with the following amendments:

Page 4, line 19, delete "COMMITTEE" and insert "TASK FORCE"

Page 4, line 20, delete "committee" and insert "task force"

Page 4, after line 21, insert:

*"The task force expires and the terms, compensation, and removal of members are as provided in section 15.059."*

Page 4, line 28, after the period insert:

*"If a machine is designed in a way that does not allow voting on all candidates and issues pursuant to this chapter, the machines may be used to the extent compliance with this chapter is possible and paper ballots complying with election laws shall be used for all other offices and issues."*

Page 7, line 10, delete everything after the period

Page 7, delete lines 11 to 14

Page 14, line 20, delete "21" and insert "30"

Page 22, delete lines 14 to 29 and insert *"machines shall remain locked against use until all automatic recounts have been verified by the appropriate election office and the time for filing a contest of election has passed. When a contest of election has been filed, the voting machines shall remain locked until the voting machine count has been verified in accordance with the orders of the appropriate court."*

Page 32, line 5, delete "1982" and insert "1983 Supplement"

Page 32, delete lines 7 to 32 and insert:

"Subdivision 1. [INFORMATION REQUIREMENTS.] (NOTWITHSTANDING THE PROVISIONS OF SECTIONS 206.185, SUBDIVISION 5; AND 206.21, SUBDIVISIONS 1 AND 2,) Precinct summary statements shall be submitted by the election judges in every precinct. The election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) the number of votes each candidate received or the number of yes and no votes on each question, the number of partially blank ballots and the number of partially defective ballots with respect to each office or question;

(b) the number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) the number of individuals who voted at the election in the precinct;

(d) in counties with permanent registration, the number of voters registered before the polling place opened and the number of voters registering on election day in that precinct; and

(e) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question."

Page 32, line 35, after "206.08" insert "*, subdivisions 1, 2, and 4*"

Page 32, line 36, delete "206.09;" and "206.11;"

Page 33, line 1, after "206.19" insert "*, subdivisions 2 and 3*" and after "206.21" insert "*, subdivisions 1, 2, 4, and 5*"

Page 33, line 2, after "206.23" insert "; Minnesota Statutes 1983 Supplement, sections 206.08, subdivision 3; 206.09; 206.11; 206.19, subdivision 1; and 206.21, subdivision 3"

Page 33, after line 2, insert:

"Sec. 33. [EFFECTIVE DATE.]

*This act is effective January 1, 1985."*

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section" and after the semicolon insert "and Minnesota Statutes 1983 Supplement, section"

Page 1, line 7, after "206.23" insert "; and Minnesota Statutes 1983 Supplement, sections 206.08, subdivision 3; 206.09; 206.11; 206.19, subdivision 1; and 206.21, subdivision 3"

With the recommendation that when so amended 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. 1352, A bill for an act relating to financial institutions; allowing banks and trust companies to establish trust service offices at the location of other banks; proposing new law coded in Minnesota Statutes, chapter 48.

Reported the same back with the following amendments:

Page 1, line 12, delete "*with the*"

Page 1, line 13, delete "*approval of the commissioner*" and insert "*after completing the notification procedure required by this subdivision*"

Page 1, line 15, delete "*with the approval of the*"

Page 1, line 16, delete "*commissioner*" and insert "*after completing the notification procedure required by this subdivision*"

Page 1, after line 21, insert:

*"Any trust company or state bank permitted to exercise trust powers and a state bank at which a trust service office is to be*

*established pursuant to this act shall jointly file a notification of intent to establish a trust service office on forms provided by the commissioner. The notification shall be accompanied by a filing fee of \$100 payable to the commissioner to be deposited in the general fund of the state. No trust service office shall be established pursuant to this act if disallowed by order of the commissioner within 45 days of the filing of a complete and acceptable notification of intent to establish a trust service office. Any proceedings for judicial review of an order of the commissioner to disallow the establishment of a trust service office under this act shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein."*

Page 2, line 13, before the period, insert "*, and if there is no such newspaper, then at the county seat of the county in which the trust service office is to be located. The notice shall be published once and proof of publication shall be filed with the commissioner immediately after publication of the notice of filing*"

Page 3, after line 9, insert:

*"Subd. 4. [SUPERVISION.] Every trust company or state bank permitted to exercise trust powers establishing and operating one or more trust service offices pursuant to this act shall at all times maintain records acceptable to the commissioner regarding transactions originating at such trust service offices and available at its principal office for examination pursuant to sections 46.04 and 46.05."*

Page 3, lines 19 and 34, delete "4" and insert "5"

Page 4, line 1, delete "4" and insert "5"

Renumber the subdivisions in sequence

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. 1371, A bill for an act relating to state government; providing for a day care center for state employees in the capitol complex; amending Minnesota Statutes 1982, section 16.02, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1393, A bill for an act relating to education; modifying certain erroneous and ambiguous education aid and levy provisions; amending Minnesota Statutes 1983 Supplement, sections 121.904, subdivision 4a; 124.195, subdivision 9; 124.201, subdivision 4; 124.2138, subdivision 1; 275.125, subdivisions 2e, 8, 8a, 9b; Laws 1983, chapter 314, article 6, section 34, subdivision 12, and article 9, section 14, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### FOUNDATION AID

Section 1. Minnesota Statutes 1983 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year *plus 32 percent of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or*

(3) thirty-two percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. [121.905] [LEVY RECOGNITION PERCENTAGE.]

*If forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A as of November 30, 1984, indicate a projected general fund balance for the biennium ending June 30, 1985, in excess of \$8,009,000, the levy recognition percentage specified in section 121.904, subdivision 4a, clauses (b)(2) and (b)(3), shall be reduced for taxes payable in 1985 and thereafter according to the provisions of this section. The levy recognition percentage factor shall equal the result of the following computation:*

(1) 32 percent, times

(2) the ratio of

(a) the statewide total amount of the levy recognized in June pursuant to section 121.904, subdivision 4a, clause (b), reduced by the amount of the general fund balance in excess of \$0, to

(b) the statewide total amount of the levy recognized in June pursuant to section 121.904, subdivision 4a, clause (b),

(3) rounded up to the nearest whole percent.



*However, in no case shall the levy recognition percentage be reduced below 20 percent. The levy recognition percentage shall not be increased under the provisions of this section.*

*The commissioner of finance shall certify to the commissioner of education the levy recognition percentage computed under this section by December 5, 1984. The commissioner of education shall notify school districts of any change by December 31, 1984.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Beginning with fiscal year 1984 and each year thereafter, state aids and credits enumerated in subdivision 2 payable to any school district in a particular fiscal year for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), (AS AMENDED BY LAWS 1982, THIRD SPECIAL SESSION CHAPTER 1, ARTICLE 3, SECTION 1; ) minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b) (, AS AMENDED BY LAWS 1982, THIRD SPECIAL SESSION CHAPTER 1, ARTICLE 3, SECTION 1). *For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), shall be reduced by any amount levied pursuant to section 275.125, subdivision 2d. Any loan amount authorized from the cash flow loan fund or payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.*

Sec. 4. Minnesota Statutes 1982, section 124.19, is amended by adding a subdivision to read:

Subd. 6. [INSTRUCTIONAL HOURS.] *To be eligible for full entitlement of foundation aid, a district must provide to students the minimum number of instructional hours per day prescribed in the rules of the state board, except as provided for in subdivision 5 of this section. Part of the school day may be provided in employment-related or community-based instruction, but only within a program which receives annual approval by the local district board, is in compliance with state board rules, and is on file with the commissioner of education. The information on the employment-related or community-based instruction submitted to the commissioner shall contain at least an estimate of the number of students involved, a description of the alternative instruction, and the percentage of the students' instructional year involved.*

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.2122, is amended to read:

**124.2122 [BASIC FOUNDATION AID.]**

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 \$1.346 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. *The formula allowance shall be \$1,550 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.*

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 .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. The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. *The basic maintenance mill rate shall be .023 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.*

Subd. 3. [BASIC FOUNDATION REVENUE.] A district's basic foundation revenue for each school year shall equal the formula allowance times its total pupil units for that school year.

Subd. 4. [BASIC FOUNDATION AID.] A district's basic foundation aid for each school year shall equal its basic foundation revenue for that school year, minus the basic maintenance mill rate times the applicable adjusted assessed valuation of the district.

Sec. 6. Minnesota Statutes 1983 Supplement, 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;

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

Sec. 7. Minnesota Statutes 1983 Supplement, section 124.2138, is amended to read:

124.2138 [REVENUE EQUITY AID SUBTRACTION.]

Subdivision 1. [BASIC MAINTENANCE LEVY EQUITY.]

(1) (IN ANY YEAR WHEN) *If the amount of the maximum levy limitation under section 275.125, subdivision 2a, for fiscal year 1985 for any district, or for fiscal year 1986 or after for a nonagricultural 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 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) *subdivision 2e, clause (1)(b), and subdivision 9, and*

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Subd. 2. [TRANSPORTATION LEVY EQUITY.] (1) (IN ANY FISCAL YEAR IN WHICH) *If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 and thereafter in a nonagricultural 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 3b, 8i, 8j, 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, 8j, 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-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths 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.

*Subd. 4. [NONAGRICULTURAL DISTRICT DEFINED.] For the purposes of this section, nonagricultural district means a district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises less than 60 percent of the assessed valuation of the district.*

Sec. 8. Minnesota Statutes 1982, section 124.214, subdivision 1, is amended to read:

Subdivision 1. [OMISSIONS.] No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December (15) 30 of the next school year, unless otherwise specifically provided by law.

Sec. 9. Minnesota Statutes 1983 Supplement, section 124A.06, subdivision 1, is amended to read:

Subdivision 1. [COST DIFFERENTIAL TIER ALLOWANCE.] "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, section 124.224, as amended by section 124.2124, subdivi-

sion 1, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year, *and multiply the result by two.*

(b) Divide the formula allowance for the school year by \$1265.

(c) Multiply the result in clause (a) by the result in clause (b).

(d) Subtract 1.25 from the training and experience index, and multiply the difference by (\$300) \$400.

(e) Select the greater of the result in clause (d) or zero.

(f) Add the results of clauses (c) and (e).

Sec. 10. Minnesota Statutes 1983 Supplement, section 124A.-12, subdivision 1, is amended to read:

Subdivision 1. [FOURTH TIER ALLOWANCE.] "Fourth tier allowance" means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is (\$100) *the result of the following computation:*

(a) *Subtract 1.25 from the training and experience index, and multiply the difference by \$300.*

(b) *Add \$100 to the result of clause (a).*

Sec. 11. Minnesota Statutes 1983 Supplement, section 124A.-14, subdivision 1, is amended to read:

Subdivision 1. [FIFTH TIER ALLOWANCE.] "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, and 124.2128 had been effective for the 1984-1985 school year.

(b) Determine the discretionary revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the 1984-1985 school year. Assume the district had been entitled

to and had levied the maximum allowable under section 275.125, subdivision 7a, and no aid or levy reductions were made according to section 275.125, subdivision 7c.

(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year *if sections 124A.06, subdivision 1, and 124A.12, subdivision 1, had been applied to the 1984-1985 school year as those sections read as amended by this article.*

(f) Subtract the result of clause (e) from the result of clause (d).

(g) Divide the amount in clause (f) by the 1984-1985 actual pupil units.

Sec. 12. Minnesota Statutes 1983 Supplement, section 124A.16, subdivision 4, is amended to read:

Subd. 4. The total revenue per actual pupil unit permitted from the tiers specified in sections 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14 shall equal the sum of the previous formula amount plus the greater of:

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the previous formula amount in the 1984-1985 school year, (50)  $66\frac{2}{3}$  percent of the difference in the 1985-1986 school year, 75 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Sec. 13. Minnesota Statutes 1983 Supplement, 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) *total* 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) total pupil units for that district for that school year, plus

(ii) the amount (OF) *by which* special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, *are estimated to be reduced pursuant to section 124.2138, subdivision 1*, plus

(iii) the amount (OF) *by which* 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), *are estimated to be reduced pursuant to section 124.2138, subdivision 1*, 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.

((1) HOWEVER, FOR FISCAL YEAR 1985, THE AMOUNTS IN CLAUSES (A)(II) AND (A)(III) SHALL BE MULTIPLIED BY ONE-SIXTH; FOR FISCAL YEAR 1986, THE AMOUNTS IN CLAUSES (A)(II) AND (A)(III) SHALL BE MULTIPLIED BY ONE-THIRD; FOR FISCAL YEAR 1987, THE AMOUNTS IN CLAUSES (A)(II) AND (A)(III) SHALL BE MULTIPLIED BY ONE-HALF; FOR FISCAL YEAR 1988, THE AMOUNTS IN CLAUSES (A)(II) AND (A)(III) SHALL BE MULTIPLIED BY TWO-THIRDS; AND FOR FISCAL YEAR 1989, THE AMOUNTS IN CLAUSES (A)(II) AND (A)(III) SHALL BE MULTIPLIED BY FIVE-SIXTHS.)

((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. 14. Minnesota Statutes 1983 Supplement, section 298.28, subdivision 1, is amended to read:

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



(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

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

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

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

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

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977

as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the *second* previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to sections 124.2121 to 124.2128 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

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

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

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

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pur-

suant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

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

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

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

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

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

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

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

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

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

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

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of

such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

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

## Sec. 15. [AID SUBTRACTION INCREASE.]

*The legislature intends that, as a result of changes in school district levy limitations in this article and article 2, the aid subtraction required by section 124.155 will be increased by an estimated \$10,550,000 for fiscal year 1985.*

## Sec. 16. [EFFECTIVE DATE.]

*Subdivision 1. Section 3 is effective the day following final enactment and shall apply to the adjustment made pursuant to section 124.155 in fiscal year 1984.*

*Subd. 2. Section 14 is effective for the distribution required to be made on July 15, 1984, and for distributions thereafter.*

## ARTICLE 2

## SUMMER SCHOOL

Section 1. Minnesota Statutes 1982, section 124.20, is amended to read:

## 124.20 [AID FOR SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.]

Subdivision 1. [PROGRAMS.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools, (AND (4) SUMMER SCHOOL INSTRUCTION IN TEACHERS COLLEGE LABORATORY SCHOOLS OR IN THE UNIVERSITY LABORATORY SCHOOL,) shall be paid under the provisions of this section.

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

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

(2) "Summer school instructional 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) (FOR SUMMER PROGRAMS IN 1982, "SUMMER SCHOOL REVENUE ALLOWANCE" MEANS AN AMOUNT EQUAL TO THE PRODUCT OF THE NUMBER OF SUMMER SCHOOL PUPIL UNITS IN A DISTRICT, TIMES 89 PERCENT OF THE FOUNDATION AID FORMULA ALLOWANCE AS DEFINED IN SECTION 124.2122 FOR THE PRECEDING REGULAR SCHOOL YEAR.) *"Summer educational improvement revenue allowance" means an amount equal to the product of 0.005, times the number of actual pupil units in the district in the preceding regular school year, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.*

(4) *"Total summer school revenue allowance" means an amount equal to the sum of a district's summer school instructional revenue allowance and summer educational improvement revenue allowance.*

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

*Subd. 4. [SUMMER SCHOOL AID.] In fiscal year 1986 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 275.125, subdivision 2k, certified in the calendar year before the summer school program is offered; times*

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

(2) *the levy certified by the district pursuant to section 275.125, subdivision 2k, in the calendar year before the summer school program is offered.*

*Subd. 5. [AID ADJUSTMENT.] The department of education shall adjust the summer school 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 summer school levy limitations for districts where actual pupil membership differs from estimated pupil membership.*

*Subd. 6. [AUTHORIZED USE OF SUMMER SCHOOL AID AND LEVY.] Beginning with 1985 summer school, a school board is authorized to use the summer school aid and levy received pursuant to this section and section 275.125, subdivision 2k, for the following purposes:*

(1) *for summer school courses which meet two or more of the following criteria:*

- (a) *they are offered for credit;*
- (b) *they are required for graduation;*
- (c) *they provide academic enrichment or remediation; or*

(d) *they teach basic or advanced skills in the areas of language arts, mathematics, social studies, science, foreign language, fine arts, health and physical education, or computer science; and*

(2) *for expenditures during the summer for curriculum development, staff development, parent or community involvement, experimental educational delivery systems, and other measures designed to improve education in the district.*

Sec. 2. Minnesota Statutes 1982, section 124.201, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] *For fiscal years 1984 and 1985, foundation aid for handicapped pupils enrolled in (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools (, AND (4) SUMMER SCHOOL INSTRUCTION IN TEACHERS COLLEGE LABORATORY SCHOOLS OR IN THE UNIVERSITY LABORATORY SCHOOL,) shall be paid under the provisions of this section.*

Sec. 3. Minnesota Statutes 1983 Supplement, 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 intersession 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 intersession 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 4, 5, or 6 of the continuum of placement model described in state board rules shall be included in the computation of summer school pupil units *for the purposes of computing summer school foundation aid for payment in fiscal years 1984 and 1985.*



(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 intersession classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.201, subdivision 4, is amended 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 275.125, subdivision 2j, 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 275.125, subdivision (2K) 2j, clause (a), in calendar year 1983.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.201, subdivision 5, is amended 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 275.125, subdivision (2K) 2j, clause (b), certified in (THE CALENDAR YEAR BEFORE THE SUMMER SCHOOL PROGRAM IS OFFERED) 1983; times

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

(2) the levy certified by the district pursuant to section 275.125, subdivision (2K) 2j, clause (b) in (THE CALENDAR YEAR BEFORE THE SUMMER SCHOOL PROGRAM IS OFFERED) 1983.

Sec. 6. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2k, is amended 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 *total* summer school revenue allowance as defined in section (124.201) 124.20, 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 *regular* school year, to

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

Sec. 7. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

*Subd. 21. [EXCESS LEVY; SUMMER SCHOOL.] In addition to the levy authorized in subdivision 2k, a district for which the instructional summer school revenue allowance is less than an amount equal to \$20 times the number of actual pupil units in the district in the regular school year prior to the summer program may levy the following difference:*

(a) *\$20 times the number of actual pupil units in the district in the regular school term in the year the levy is certified, less*

(b) *the instructional summer school revenue allowance for the summer in the year after the year the levy is certified.*

*This levy shall be used for the same purposes for which the summer school instructional revenue allowance may be used.*

Sec. 8. [REPEALER.]

*Subdivision 1. Minnesota Statutes 1982, section 275.125, subdivision 2g, and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2i, are repealed.*

*Subd. 2. Minnesota Statutes 1982, section 124.201, as amended by Laws 1983, chapter 314, article 3, sections 3, 4, 5, 6, and 7;*

*and by sections 2, 3, and 4 of this article; and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2j, are repealed.*

Sec. 9. [EFFECTIVE DATE.]

*Section 1 is effective September 1, 1984, for summer school to be held in 1985 and thereafter. Section 8, subdivision 2, is effective May 1, 1985.*

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1983 Supplement, section 120.17, subdivision 3b, is amended to read:

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

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

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

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

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if

after at least one conciliation conference the parent or guardian continues to object to:

- (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;
- (2) the proposed placement of their child in, or transfer of their child to a special education program;
- (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;
- (4) the proposed provision or addition of special education services for their child; or
- (5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

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

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

The local decision shall:

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

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The (COMMISSIONER) *hearing review officer* shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The (COMMISSIONER) *hearing review officer* shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The (COMMISSIONER) *hearing review officer* may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the (COMMISSIONER) hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

(1) The commissioner has a personal interest in or specific involvement with the student who is a party to the hearing, or

(2) The commissioner has been employed as an administrator by the district that is a party to the hearing, or

(3) The commissioner has been involved in the selection of the administrators of the district that is a party to the hearing, or

(4) The commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies, or

(5) The appeal challenges a state or local policy, the development of which the commissioner was substantially involved in, or

(6) The appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality of the proposed hearing review officer by applying to the state board of education.

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

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

## Sec. 2. [REPEALER.]

*Minnesota Statutes 1982, section 124.32, subdivisions 1a, 1e, and 2a; and Minnesota Statutes 1983 Supplement, section 124.32, subdivision 5a, are repealed.*

## ARTICLE 4

## COMMUNITY EDUCATION

Section 1. Minnesota Statutes 1983 Supplement, section 124.-271, subdivision 2b, is amended 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). *For fiscal year 1985, the aid shall be an amount equal to the difference obtained by subtracting*

(a) an amount equal to .8 mill 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.

*For fiscal year 1986 and each fiscal year thereafter, the aid shall be an amount equal to the difference obtained by subtracting*

(a) an amount equal to .8 mill 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) \$5.25 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)) (1), 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)) (1), to its maximum permissible levy under section 275.125, subdivision 8, clause ((4)) (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause ((4)) (1), 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.

Sec. 2. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) (EXCEPT AS PROVIDED IN CLAUSES (2) AND (3), IN 1982 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 \$4.75 PER CAPITA FOR DISTRICTS WHICH WILL QUALIFY FOR AID IN FISCAL YEAR 1984 EQUAL TO 25 CENTS PER CAPITA PURSUANT TO SECTION 124.271, SUBDIVISION 2A, CLAUSE (1)(B).)

((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 (1).)

((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) \$5.25 times the population of the district, or

(b) \$7,000.

((5)) (2) In addition to the levy authorized in clause ((4)) (1), 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 for fiscal year 1985 from community education aid under section 124.271, subdivision (2A) (2b), clause (1), and

(ii) the community education levy authorized in clause ((4)) (1) 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 2, 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)) (3) In 1984 and each year thereafter, in addition to the levy authorized in clause ((4)) (1), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause ((5)) (2) in 1983.

((7)) (4) 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.

((8)) (5) 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.

## ARTICLE 5

### VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts (EXCEPT AS PROVIDED IN SECTION 124.5629). The procedures described in this section for making disbursements to school districts will be used starting in fiscal year 1984, except that for districts that have tax anticipation certificates or aid anticipation certificates which were sold prior to June 30, 1983, and which mature prior to June 30, 1984, the payment schedules specified in Minnesota Statutes 1982 may continue to be used in fiscal year 1984 if the school district provides evidence to the commissioner of education that the payment schedules established in this section would jeopardize repayment of these certificates or prevent the district from making payments for other services without additional borrowing.

Sec. 2. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, beginning in fiscal year 1984, all education aids and credits in chapters 121, 123, 124, 125, and 273.1392, (EXCEPT POST-SECONDARY VOCATIONAL) shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 3. Minnesota Statutes 1983 Supplement, section 124.5615, subdivision 5, is amended to read:

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 121.21, subdivision 4a. The aid shall be placed in the repair and betterment (ACCOUNT OF THE CAPITAL EXPENDITURE) fund and used solely for the purposes enumerated in section 124.5612, subdivision 8. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the commissioner of education. The process in section 124.5614 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 121.21, subdivision 4a.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.5629, is amended to read:

124.5629 [PAYMENT OF AVTI (INSTRUCTIONAL) AID.]

*Subdivision 1. (BEGINNING) For the 1983-1984 school year, 85 percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 24 uniform payments on the first business day prior to the 15th of each month and on the first business day prior to the last day of each month.*

*Subd. 2. Beginning for the 1984-1985 school year, 94 percent of the estimated instructional aid entitlement for post-secondary vocational education, as defined in section 136C.02, subdivision 3, for each district shall be paid during the fiscal year of entitlement in 24 uniform payments on the first business day prior to the 15th of each month and on the first business day prior to the last day of each month.*

*Subd. 3. The amount of entitlement pursuant to subdivisions 1 and 2, adjusted for actual data on tuition and fund balances, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district in two payments on September 15 and September 30 in the fiscal year following entitlement.*

*Subd. 4. Beginning for the 1984-1985 school year, 94 percent of the estimated repair and betterment aid entitlement for post-secondary vocational education, as defined in section 136C.02, subdivision 3, for each district shall be paid during the fiscal year of entitlement.*

Sec. 5. Minnesota Statutes 1982, section 124.565, subdivision 7, is amended to read:

Subd. 7. [VETERAN'S EXEMPTION.] A veteran who is a Minnesota resident (SHALL BE) *whose entire education has not included completion of at least one tuition free post-secondary vocational-technical school program*, is exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 440 post-secondary vocational-technical school days, or the equivalent as determined by the state board (FOR) of vocational-technical education, or (b) one post-secondary vocational-technical school program.

"Veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 6. Minnesota Statutes 1982, section 136A.02, subdivision 6, is amended to read:

Subd. 6. There is hereby created a higher education advisory council, the membership of which shall include the president of the University of Minnesota, the chancellor of the state university board, the chancellor of the state board for community colleges, *the state director of vocational-technical education*, the commissioner of education, the executive director of the Minnesota private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters which the council deems as needing attention of the board, (2) make recommendations to the board as the council deems appropriate, (3) review and comment upon proposals and other matters before the board, and (4) provide any reasonable assistance to the board in its effort to fulfill responsibilities of the board. The board shall periodically inform the council of all matters under consideration by the board and shall refer all proposals to the council prior to transmitting such proposals as recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The higher education advisory council shall report to the board quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council shall also meet within 30 days following a request for a council meeting by the executive director of the board.

Sec. 7. Minnesota Statutes 1983 Supplement, section 136C.04, is amended by adding a subdivision to read:

Subd. 4a. [CARRY OVER AUTHORITY.] *The state board may carry over any unexpended balance from its appropriation*

*from the first year of a biennium into the second year of the biennium. The state board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.*

**Sec. 8. [136C.041] [WITHHOLDING OF ALLOCATIONS.]**

*Subdivision 1. The state board may withhold allocations to an AVTI district if the board finds that AVTI district to be in violation of any statute, rule, or state board policy.*

*Subd. 2. The state board shall notify the AVTI district of its finding. The notice shall specify the violation, describe the correction required, and set a reasonable time within which the AVTI district shall correct the violation. The state board also shall provide the district an opportunity for a hearing to respond and to dispute the finding. No allocations shall be withheld pending the final decision of the state board. If a violation is corrected in the allotted time or if the state board determines that a violation does not exist, no allocations shall be withheld.*

*Subd. 3. The decision of the state board under this section may be reviewed on certiorari by the district court of the county in which the AVTI district, or any part of it, is located.*

**Sec. 9. [136C.06] [BOARD DESIGNATION AS SOLE STATE AGENCY.]**

*The state board of vocational-technical education is designated as the sole state agency for receipt and disbursement of federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board is responsible for development and submission of the state plan for vocational-technical education which is developed under terms agreed to by the state board and the state board of education.*

**Sec. 10. [MERGED POST-SECONDARY AND ADULT BUDGETS.]**

*The state director of vocational-technical education may prepare a merged budget for post-secondary and adult vocational education administered by an area vocational-technical institute beginning in the 1985-1987 biennium.*

**Sec. 11. [APPROPRIATION.]**

*Subdivision 1. There is appropriated from the general fund to the state board of vocational-technical education for fiscal*

year 1985, the sum of \$9,169,000 for the increased percentage of aid entitlement to be paid during the fiscal year of entitlement, pursuant to section 4, subdivisions 2 and 4.

*Subd. 2. There is appropriated from the general fund to the state board of vocational-technical education for fiscal year 1985, the sum of \$500,000 for new program development and curriculum updating.*

## Sec. 12. [EFFECTIVE DATE.]

*Section 7 is effective June 30, 1984. Section 9 is effective July 1, 1984.*

*Section 7 is first effective to allow the state board of vocational-technical education to carry over appropriations from fiscal year 1984 to fiscal year 1985.*

## ARTICLE 6

### OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1982, section 122.532, is amended by adding a subdivision to read:

*Subd. 8. [OPERATING DEBT LEVY.] (1) For a district newly created through consolidation, the operating debt levy limitation under section 275.125, subdivision 9b, shall be computed as provided in this subdivision. The levy in each year may be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year. The total amount of the levy for all years shall not exceed the lesser of (a) the sum of the deficits of the newly created district in the net unappropriated operating funds of the district as of the effective date of the consolidation, or (b) the sum for all component districts of the aid reduction in fiscal year 1983 according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6. When the cumulative amount of the levies made pursuant to this subdivision, together with the amount of any levies made by component districts pursuant to section 275.125, subdivision 9b, equal the total amount permitted by this subdivision, the levy shall be discontinued.*

*(2) The proceeds of this levy shall be used for the same purposes for which the operating debt levy authorized by section 275.125, subdivision 9b may be used.*

*(3) Any district which makes a levy pursuant to this subdivision shall certify the maximum levy allowable under section 275.125, subdivision 2a or 2e in that same year.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 124.-195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; (TEACHER INSTITUTE AID, CAMPUS LABORATORY SCHOOL AID, AND HIGH TECHNOLOGY AIDS) *hearing impaired support services aid, according to section 121.201; and educational improvement aids, according to sections 121.601, 129B.33, 129B.34, and 129B.36.*

Sec. 3. [124.49] [STANDARDS OF EXCELLENCE.]

*Subdivision 1. [COMMITTEE.] By May 1, 1984, the commissioner shall establish a "schools of excellence" committee consisting of department of education staff members and others. By June 1, 1984, the committee shall develop and distribute to all districts criteria of excellence for specific academic programs in secondary schools. The committee shall also develop and distribute application forms.*

*Subd. 2. [STANDARDS.] The standards shall include an assessment and evaluation of criteria that may include the following:*

- (1) teacher qualifications;*
- (2) curriculum offerings;*
- (3) student ability averages;*
- (4) management;*
- (5) expectations;*
- (6) academic standards;*
- (7) order and discipline;*
- (8) clearly defined academic goals;*
- (9) administrative leadership;*
- (10) community support;*
- (11) organization for learning;*
- (12) frequency, monitoring, and reporting of homework;*

(13) *regularity and frequency of monitoring of student progress;*

(14) *coordination, articulation, and comprehensiveness of curriculum;*

(15) *variety of teaching strategies;*

(16) *opportunities for student responsibility;*

(17) *commitment to accept at least five students; and*

(18) *ability to provide host families.*

#### Sec. 4. [124.491] [SCHOOL APPLICATIONS.]

*Subdivision 1. [SCHOOL APPLICATIONS.] By July 1, 1984, and by February 1 in 1985 and each year thereafter, a district may apply to the commissioner for designation of a secondary school in the district as a "school of excellence." The application shall include evidence of the school's ability to meet the standards of excellence established in section 3, subdivision 2. The "schools of excellence" committee shall evaluate and assess the academic programs of schools applying for "school of excellence" designations. The commissioner, with the advice of the committee, shall designate schools of excellence by July 15, 1984, for the 1984-1985 school year and make additional designations by April 1 preceding the school year beginning in 1985 and each year thereafter.*

*Subd. 2. [RENEWAL.] A school's designation as a "school of excellence" shall be for two school years and may be renewed upon reapplication.*

#### Sec. 5. [124.492] [STUDENT APPLICATIONS.]

*Subdivision 1. [STANDARDS.] By June 15, 1984, the "schools of excellence" committee shall develop standards and application forms for selection of pupils to attend the schools of excellence. The standards for selection of pupils shall include, but not be limited to, an evaluation of the pupil's academic ability, the pupil's future career plans, and lack of academic opportunity in the pupil's current school. These standards and application forms shall be distributed to every district and made available to all students in grades 7 to 11 and their parents.*

*Subd. 2. [PUPIL SELECTION.] The commissioner, with the advice of the "schools of excellence" committee shall select nonresident pupils to attend schools of excellence in accordance with the selection standards developed in subdivision 1. Student selections shall be made by August 1, 1984, for the 1984-1985*



*school year and by the June 1 preceding the school year in 1985 and each year thereafter. If the number of students selected does not exceed the limits in section 8, the committee may select additional students after these deadlines.*

**Subd. 3. [CONTINUED ATTENDANCE.]** *A nonresident pupil selected to attend a school of excellence may continue to attend that school if that student maintains satisfactory progress in the school, until the completion of the last grade offered by the school.*

*Within ten days of the end of a grading period, but, in any event not less than twice a year, the principal of a school of excellence shall certify to the commissioner of education whether or not the selected pupils are making satisfactory progress in school.*

*A selected pupil certified as not making satisfactory progress shall be dropped from the attendance rolls of the school of excellence as of the date of the certification.*

**Sec. 6. [124.493] [HOST FAMILIES.]**

*A school of excellence shall screen and arrange for local families to volunteer to serve as host families to nonresident pupils selected to attend the school.*

**Sec. 7. [124.494] [STATE AID.]**

**Subdivision 1. [RESIDENT DISTRICT; RETENTION OF FOUNDATION REVENUE.]** *All foundation revenue which a pupil selected to attend a school of excellence would have earned for the resident school district had the pupil continued to attend that district shall continue to be earned by the resident district. If a pupil selected to attend a school of excellence has not been enrolled in a public school in the resident district for at least one school year immediately preceding enrollment in a school of excellence, the resident district shall not earn foundation revenue for that pupil.*

**Subd. 2. [RECEIVING DISTRICT.]** *The district receiving a pupil selected to participate in the school of excellence program shall count the pupil as a resident pupil unit as defined in section 124.17 for purpose of determining aids and levies.*

**Sec. 8. [124.496] [PROGRAM LIMITS.]**

*No more than 100 pupils who have completed at least the eighth grade or equivalent and who are Minnesota residents may be selected to participate in the schools of excellence program. No more than ten pupils selected under this program may attend a particular school of excellence at any one time.*

## Sec. 9. [124.497] [INCENTIVE GRANTS.]

*A school designated as a school of excellence shall receive an incentive grant for each year of designation. The appropriations for the grants shall be allocated equally among the designated schools.*

Sec. 10. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

*Subd. 6e. [DESEGREGATION LEVY.] Each year any district which is implementing a plan for desegregation mandated by the state board of education or under court order may levy an amount not to exceed one mill times the adjusted assessed valuation of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.*

Sec. 11. Minnesota Statutes 1983 Supplement, section 275.-125, subdivision 8a, is amended to read:

**Subd. 8a. [INTERDISTRICT COOPERATION LEVY.]** Each year, a district which is eligible for aid pursuant to section 124.272, subdivision 2, 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) *the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year (. NO LEVY UNDER THIS SUBDIVISION SHALL EXCEED); (2) \$50,000; or (3) one mill times the adjusted assessed valuation 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. 12. Minnesota Statutes 1983 Supplement, section 275.-125, subdivision 9b, is amended to read:

**Subd. 9b. [OPERATING DEBT LEVY.]** (1) (IN 1983 AND) Each year (THEREAFTER), a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session

chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, (SECTIONS) section 6 (AND 7), to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which levies pursuant to this subdivision shall certify the maximum levy allowable under section (271.125) 275.125, subdivision 2a or 2e in that same year.

Sec. 13. Minnesota Statutes 1983 Supplement, 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 purchase textbooks, 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, 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. The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 116J.37.

(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 existing 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 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. 14. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11c, is amended to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.] In 1983 and each year thereafter, in addition to the levy authorized in subdivisions 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 related repairs, or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 15. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

*Subd. 11d. [REFERENDUM TO ELIMINATE DEFICIT IN CAPITAL EXPENDITURE FUND.] A school district which had a net negative unappropriated fund balance in its capital expenditure fund as of June 30, 1983, may make a levy as provided in this subdivision to eliminate the deficit if the amount levied is approved by the voters of the district at a referendum. The referendum shall be called by the school board and held on a date set by the school board. The amount of the levy shall not exceed the amount of the net negative unappropriated fund balance in the district's capital expenditure fund as of June 30, 1983. If the levy is approved by the voters, the school board may make the levy in one year, or may divide the amount approved by the voters among two or three consecutive years.*

*The ballot shall state the maximum amount of the increased levy in mills for each year that the levy will be made, the amount that will be raised by that levy in each year, and that the levy will be used to eliminate a deficit in the capital expenditure fund of the district. The ballot may contain text with the information required by this subdivision and a question stating substantially the following:*

*"Shall the increase in the levy proposed by the board of  
..... School District No. .... be approved?"*

*If approved by the voters, this levy is not subject to revocation or reduction by petition or subsequent referendum, except that the school board may choose to reduce or eliminate the levy for any year.*

*No more than two elections may be held to approve a levy increase under this subdivision. Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass the referendum authorized by this subdivision. Within 30 days after the district holds a referendum under this subdivision, the district shall notify the commissioner of education of the results of the referendum.*

Sec. 16. Minnesota Statutes 1983 Supplement, section 466.06, is amended to read:

#### **466.06 [LIABILITY INSURANCE.]**

*The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune*

from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If the municipality has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter. *However, a school district may not levy pursuant to this section for premium costs for motor vehicle insurance protecting against injuries or damages arising out of the operation of district owned, operated, leased, or controlled vehicles for the transportation of pupils for purposes for which state aid is authorized under section 124.223, or for purposes for which the district is authorized to levy under section 275.125, subdivision 5d.* Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense of governmental immunity to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided.

Sec. 17. Minnesota Statutes 1983 Supplement, 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 *and considering the timing of receipt of the portion of that levy paid by the state*, will exceed 106 percent 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. 18. Laws 1983, chapter 314, article 6, section 34, subdivision 12, is amended to read:

Subd. 12. [INDIAN EDUCATION.] (a) For certain Indian education programs there is appropriated:

\$156,000 ..... 1984,

\$138,000 ..... 1985.

The appropriations are based on aid entitlements of \$156,000 for fiscal year 1984 and \$163,000 for fiscal year 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 may be distributed to the following school districts for fiscal year 1984: (\$49,600) \$48,972 to Independent School District No. 309-Pine Point School; (\$8,750) \$8,639 to Independent School District No. 166; (\$13,500) \$13,329 to Independent School District No. 432; (\$12,700) \$12,539 to Independent School District No. 435; (\$38,100) \$37,618 to Independent School District No. 707; and (\$35,350) \$34,903 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 may be distributed to the following school districts for fiscal year 1985: (\$52,100) \$50,955 to Independent School District No. 309-Pine Point School; (\$9,200) \$8,998 to Independent School District No. 166; (\$14,200) \$13,888 to Independent School District No. 432; (\$13,350) \$13,056 to Independent School District No. 435; (\$40,050) \$39,170 to Independent School District No. 707; and (\$37,100) \$36,285 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 allocations are based on 100 percent of the entitlement for fiscal year 1985, 85 percent of which is appropriated for payment in fiscal year 1985.*

These appropriations are available 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 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

(b) Before a district can receive moneys 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 these moneys. 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 moneys 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 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 moneys. 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.

Sec. 19. Laws 1983, chapter 314, article 9, section 14, subdivision 3, is amended to read:

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:

\$1,028,000 . . . . . 1984.

The appropriation for fiscal year 1984 includes \$209,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$819,-



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.

The council on quality education shall prorate this amount among the eligible districts in proportion to the ratio of the district's grant for fiscal year 1983 to the total amount of grants made for fiscal year 1983. However, the total amount of revenue received by a district for fiscal year 1984 pursuant to this subdivision and Minnesota Statutes, section 124.271, subdivision 2a, clause (2) shall not exceed the amount of the district's grant for fiscal year 1983; *if any district's aid is reduced because of this limitation, the amount of the reduction shall be prorated among the districts not subject to this limitation.*

## Sec. 20. [MINNESOTA ARTS EDUCATION STUDY.]

*By January 15, 1985, the Minnesota School for the Arts Planning Task Force, with the assistance of the department of education, shall submit to the education committees of the legislature a study which addresses the improvement of arts education in elementary and secondary schools. The study shall include:*

*(a) A plan for the establishment of a Minnesota School for the Arts including:*

- (1) a governance structure;*
- (2) administration and staffing;*
- (3) curriculum components including academic areas;*
- (4) student selection procedures;*
- (5) student transportation and housing;*
- (6) site options;*
- (7) capital and operational budget;*
- (8) funding provisions and sources;*
- (9) tuition; and*

*(10) recommendations on how the arts school can serve as a statewide resource center for school district staff and students.*

*(b) A review of the comprehensive arts planning grants pursuant to Minnesota Statutes, sections 129B.17 to 129B.21.*

(c) *A needs assessment of arts programs at the elementary and secondary level, including recommendations for expanded arts opportunities for all students.*

## Sec. 21. [APPROPRIATIONS.]

*Subdivision 1. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1984, the sum of \$1,030,700. This appropriation shall be added to the sum appropriated for fiscal year 1984 for this purpose in Laws 1983, chapter 314, article 6, section 34, subdivision 3.*

## Subd. 2. [INTERDISTRICT COOPERATION AID.]

*For interdistrict cooperation aid pursuant to section 124.272, there is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1985, the sum of \$255,000. This appropriation shall be added to the sum appropriated for fiscal year 1985 in Laws 1983, chapter 314, article 6, section 34, subdivision 9.*

*Subd. 3. [ARTS EDUCATION STUDY.] The sum of \$148,000 is appropriated from the general fund to the department of education for the purposes of section 20. The sum is available until June 30, 1985.*

*Subd. 4. [SCHOOLS OF EXCELLENCE.] There is appropriated from the general fund \$398,000 to the department of education for the purposes of sections 3 to 9. Of this amount \$100,000 is for the grants pursuant to section 9; \$238,000 is for the foundation aid payments to the resident school districts pursuant to section 7, subdivision 1; and \$60,000 is for administrative costs.*

## Sec. 22. [EFFECTIVE DATES.]

*Sections 2 to 9 and 18, 19, and section 21, subdivision 1, are effective the day following final enactment.*

# ARTICLE 7

## MISCELLANEOUS

*Section 1. Minnesota Statutes 1982, section 121.908, is amended by adding a subdivision to read:*

*Subd. 6. A school district providing early retirement incentive payments under section 125.611, severance pay under section 465.72, or health insurance benefits to retired employees*

*under section 471.61, must account for the payments according to uniform financial accounting and reporting standards adopted for Minnesota school districts pursuant to section 121.902.*

Sec. 2. Minnesota Statutes 1982, section 121.935, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for *district information provided to the region for state reporting of information*, based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster;

(f) Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for Minnesota area vocational-technical institutes adopted by the state board pursuant to section 121.902, subdivision 1a.

Sec. 3. Minnesota Statutes 1982, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts (. A DISTRICT WHICH SUBMITS FINANCIAL TRANSACTIONS TO THE CENTER IN SUMMARY FORM PURSUANT TO SECTION 121.936, SUBDIVISION 1, OR WHICH USES AN APPROVED ALTERNATIVE MANAGEMENT INFORMATION SYSTEM PURSUANT TO SECTION 121.936, SUBDIVISIONS 2 TO 4, MAY APPLY TO THE COMMISSIONER TO SET THE FEE IF THE DISTRICT AND THE CENTER CANNOT AGREE

ON A FEE. THE COMMISSIONER SHALL ISSUE AN ORDER SETTING THE FEE, WHICH SHALL BE BINDING ON BOTH THE CENTER AND THE DISTRICT) *for the cost of services provided to the district and the district's proportionate share of outstanding regional debt. In no event shall the annual fee of a district participating in a state pilot program of an alternative financial management information system exceed the annual fee chargeable to the district in the absence of the pilot program.*

Sec. 4. Minnesota Statutes 1982, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) By July 1, 1980, every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

(b) By July 1, 1980, every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) The district shall use the ESV-IS finance subsystem through the center to process every detailed financial transaction of the district.

Notwithstanding the foregoing, a district (WITH 3,000 OR FEWER PUPILS IN AVERAGE DAILY MEMBERSHIP AS DEFINED IN SECTION 124.17, SUBDIVISION 2. MAY SUBMIT ITS FINANCIAL TRANSACTIONS TO THE CENTER FOR PROCESSING IN SUMMARY FORM IF BEFORE JULY 1, 1980, THE PLANNED FORM OF THE DISTRICT'S SUBMISSION OF ITS TRANSACTIONS AND THE CONFORMANCE OF THE DISTRICT'S FINANCIAL ACCOUNTING AND REPORTING SYSTEM TO THE UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS ADOPTED BY THE STATE BOARD PURSUANT TO SECTIONS 121.90 TO 121.92 ARE APPROVED BY THE FOLLOWING TEAM: THE DIRECTOR OF SCHOOL FINANCIAL MANAGEMENT IN THE DEPARTMENT OF EDUCATION, AND THE DIRECTOR OF MANAGEMENT INFORMATION SERVICES AND THE COORDINATOR FOR THE ESV-IS FINANCE SUBSYSTEM FOR THE MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM) *may process and submit its financial data to a region or the state in summary form*

*if it operates an approved alternative system or participates in a state approved pilot test of an alternative system.*

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

*Districts operating an approved alternative system or participating in a state approved pilot test of an alternative financial system shall purchase finance system services from any region if the region of affiliation does not offer alternative system support services.*

Sec. 5. [123.3513] [ADVANCED ACADEMIC CREDIT.]

*School districts shall grant academic credit to a student attending an accelerated or advanced academic course offered by a higher education institution or a nonprofit public agency other than the school district, if the student successfully completes the course attended and passes an examination for the course which is approved by the school district. In the event no comparable course is offered by the school district, the state board of education shall determine the number of credits which shall be granted to a student who successfully completes and passes the course. In the event a comparable course is offered by the school district, the school board shall grant a comparable number of credits to the student. If there is a dispute between the school district and the student regarding the number of credits granted for a particular course, the student may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.*

*The credits granted to a student pursuant to this section shall be placed on the student's permanent secondary record and shall be counted toward the graduation requirements and subject area requirements of the school district.*

Sec. 6. Minnesota Statutes 1982, section 123.36, subdivision 10, is amended to read:

Subd. 10. (a) The board may lease a schoolhouse which is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease shall be first deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for

(ALL) outstanding bonds *which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building that is leased.* Any remaining net proceeds in these districts *may be placed in the capital expenditure fund or the debt retirement fund of the district,* and all net proceeds of the lease in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(c) The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding clause (b), the portion of the rentals representing the cost of the improvements shall be deposited in the capital expenditure fund of the district and the balance of the rentals shall be used as provided in clause (b).

Sec. 7. Minnesota Statutes 1983 Supplement, section 123.36, subdivision 13, is amended to read:

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

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for 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;)

((D) FOR EXPENDITURES FOR THE REMOVAL OF ASBESTOS FROM SCHOOL BUILDINGS OR PROPERTY OR FOR ASBESTOS ENCAPSULATION, IF THE METHOD FOR ASBESTOS REMOVAL OR ENCAPSULATION IS APPROVED BY THE DEPARTMENT OF EDUCATION;)

((E)) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;

((F)) (c) for capital expenditures (TO RENOVATE AND IMPROVE) *for the betterment of district-owned school buildings (IN WHICH ENROLLMENT HAS INCREASED AS A RESULT OF CLOSING SCHOOLS IN THE DISTRICT)*; or

((G)) (d) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in (CLAUSES) *clause* (a) (, (B), (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. 8. Minnesota Statutes 1983 Supplement, section 125.032, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for per capita aid pursuant to section 124.271 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or section 125.17, subdivision 1, clause (a). (A COMMUNITY EDUCATION INSTRUCTOR SHALL NOT BE DEFINED AS A TEACHER PURSUANT TO SECTION 179.63, SUBDIVISION 13, OR BE A MEMBER OF A TEACHER BARGAINING UNIT SOLELY AS A RESULT OF THAT INDIVIDUAL'S EMPLOYMENT IN A COMMUNITY EDUCATION PROGRAM.)

Sec. 9. Minnesota Statutes 1982, section 465.721, is amended to read:

465.721 [FUNDING.]

No county, city, township, (SCHOOL DISTRICT) or other governmental subdivision shall implement a plan for payment of severance pay pursuant to section 465.72 until a plan providing for full funding has been developed and approved by the governing body. *This section does not apply to school districts.*

Sec. 10. Minnesota Statutes 1982, section 471.61, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, EMPLOYEES.] Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes thereof, under a policy or poli-



cies, or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits, and hospitalization insurance or benefits, for both employees and dependents, or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on such insurance or protection. Any such payment shall be deemed to be additional compensation paid to such officers or employees but for purposes of determining contributions or benefits under any public pension or retirement system it shall not be deemed to be additional compensation. Any one or more of such governmental units may determine that a person is an officer or employee if such officer or employee receives a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit, *other than a school district*, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and (EXCEPT FOR SCHOOL DISTRICTS) such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Sec. 11. Minnesota Statutes 1982, section 471.61, subdivision 2a, is amended to read:

Subd. 2a. [RETIRED OFFICERS, EMPLOYEES.] Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may

insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits, or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit, *other than a school district*, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and (EXCEPT FOR SCHOOL DISTRICTS) such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Sec. 12. Laws 1976, chapter 20, section 5, subdivision 1, is amended to read:

Sec. 5. [RESERVE FUND FOR REDUCING STATUTORY OPERATING DEBT.] Subdivision 1. The district shall establish a special reserve account, which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records into which the proceeds of the bonds authorized in section 1 and the levies made under section 4 shall be placed. The funds in this account shall be used only for

the payment of district operating expenses; but the amount in this account shall never supplement district revenues or income for the purposes of increasing the district's capital or operational expenditures or budgets, or for any purpose, other than to meet temporary cash needs. Earnings on sums in this account may be used for paying interest expenses on tax and aid anticipation certificates and for the purposes for which funds in this account may be used. *Earnings on sums in this account after June 30, 1984, may be withdrawn from the account and placed in the general fund.* The funds in this account may be invested and reinvested in accordance with the further provisions of Minnesota Statutes, section 475.66, as amended.

Sec. 13. Laws 1983, chapter 314, article 7, section 45, is amended to read:

**Sec. 45. [PILOT PROJECTS USING MICROCOMPUTERS.]**

The department of education shall pilot test microcomputer-based financial reporting systems in up to (EIGHT) 30 school districts *approved by the department during the (1983-1984) 1984-1985 school year. Districts requesting to participate in the pilot test shall meet hardware, software, and support limitations of the test system use as established by the department.* The alternative reporting system must comply with Minnesota Statutes, sections 121.90 to 121.917.

The school districts selected as pilot sites shall operate parallel reporting systems until such time that the department certifies that the alternative system meets the reporting requirements. The systems to be tested shall include one developed by the Minnesota educational computing consortium and at least one other available system recommended for testing by the ESV computer council, in consultation with the department. The alternative reporting systems operated by school districts selected as pilot sites shall be exempt from the requirements in Minnesota Statutes, section 121.936, subdivision 1, clause (b)(2), for the (1983-1984) 1984-1985 school year.

The department shall evaluate the pilot systems. The evaluation shall include recommendations on the feasibility and efficiency of reporting directly to the department, reporting to the department through the regional management information centers, or by other methods. The ESV computer council shall review the evaluation of the pilot systems and report its findings to the house education and appropriations committees and senate education and finance committees by (FEBRUARY 15, 1984) *January 15, 1985. The report shall include: an analysis of district, state, and regional costs associated with operation of the systems; recommendations for maintenance of the systems; alternatives, their costs and recommendations for the provision*

*of support to users; and an analysis of the desirability of limiting the number of allowable alternative systems. The cost of the evaluation shall be paid by the department of education.*

**Sec. 14. [SPECIAL EDUCATION AND SECONDARY VOCATIONAL REVENUE REPORT.]**

*Subdivision 1. By January 1, 1985, the commissioner of education shall report to the education committees of the legislature on recommendations for allocating revenue to all school districts on an equitable and appropriate basis for the purpose of providing special education and secondary vocational programs. In making recommendations, the commissioner shall consider cooperative incentive revenues available through the intermediate school district levies and the interdistrict cooperation aid and levy. The commissioner shall also review the adequacy of the existing special education and secondary vocational funding formulas. The commissioner shall also consider, but not be limited to, the following factors that may affect interdistrict cooperative efforts:*

- (1) types of programs being offered,*
- (2) type, number, and resident districts of students being served,*
- (3) size of the attendance area, and*
- (4) the extent to which various programs are integrated within each district or service area.*

*This report may include further evaluation of the report required pursuant to Laws 1983, chapter 314, article 7, section 49.*

*Subd. 2. The commissioner shall appoint an advisory committee to assist in the development of the report required in subdivision 1. The advisory committee shall be broadly representative of school districts, intermediate school districts, and cooperatives providing special education and secondary vocational services. The advisory committee shall expire January 1, 1985.*

**Sec. 15. [INDEPENDENT SCHOOL DISTRICT NOS. 524 AND 525; SPECIAL CONSOLIDATION PROVISIONS.]**

*Independent School District No. 524, Halstad, and Independent School District No. 525, Hendrum, as part of an agreement to consolidate according to Minnesota Statutes, section 122.23 or any other law, may agree to any of the following:*

- (a) election districts of the size and with the population desired by the consolidating districts; and*

(b) election of school board members in any manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts, or some members from previously existing districts.

Election districts created pursuant to this agreement may be changed or altered in the manner provided in Minnesota Statutes, section 123.32, subdivision 15. To the extent Minnesota Statutes, section 122.23 or any other applicable law is inconsistent with this section, this section prevails.

**Sec. 16. [REPORT ON VISION AND HEARING ASSESSMENT.]**

By February 1, 1985, the departments of education and health shall report to the legislature on the assessment of pupils' vision and hearing. These departments shall cooperate with one another and submit a joint report. The report shall include a description of existing programs for screening and assessment of pupils, cost data on existing programs, evaluation of existing programs including cost analysis, and recommendations for improvement of existing programs or establishment of a new program to ensure that all pupils whose learning is affected by vision or hearing problems are identified, diagnosed, and treated.

**Sec. 17 [INDEPENDENT SCHOOL DISTRICT NO. 271; SALE OF BUILDING.]**

Notwithstanding Minnesota Statutes, sections 123.36, subdivision 13, 123.37, and 471.345, or any other law to the contrary, Independent School District No. 271, Bloomington, may sell a school building to a purchaser for cash, products, and services provided by the purchaser. Cash received from the purchaser remaining after payment of closing and relocation costs shall be used according to Minnesota Statutes, section 123.36, subdivision 13. The products and services shall consist of at least computer hardware, software, training, and related services as needed by the district. The products and services shall be provided to the district according to contractual terms for a period of time not to exceed five years.

**Sec. 18. [FUND MERGER RECOMMENDATIONS.]**

By January 1, 1985, the advisory council on uniform financial accounting and reporting standards shall make recommendations to the education committees of the legislature on the need for maintaining separate school district funds. The recommendations shall include consideration of merging the general fund and capital expenditure fund.

## Sec. 19. [DESEGREGATION VARIANCES.]

*Notwithstanding the 15 percentage points standard of 5 MCAR S 1.0621C., the commissioner shall, if the local board can justify an educational reason for a variance to the state board from the comprehensive school desegregation plan submitted, approve school desegregation plans that vary from the standard by up to an additional 15 percentage points. If the variance is approved by the commissioner, it may result in a school building exceeding 50 percent minority enrollment if necessary.*

## Sec. 20. [REPEALER.]

*Minnesota Statutes 1982, section 125.60, subdivision 2a, is repealed.*

## Sec. 21. [INSTRUCTION TO REVISOR.]

*Subdivision 1. The revisor of statutes shall include in subsequent editions of Minnesota Statutes, and edit as authorized by law, the uncoded permanent law relating to Intermediate School District Nos. 287, 916, and 917.*

*Subd. 2. The revisor of statutes shall change the provisions of 5 MCAR S 1.0625 to agree with section 19.*

## Sec. 22. [EFFECTIVE DATE.]

*Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), sections 15 and 17 are effective without local approval on the day following final enactment.*

## ARTICLE 8

## TECHNOLOGY AND EDUCATIONAL IMPROVEMENT

Section 1. Minnesota Statutes 1983 Supplement, section 121.601, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The (DEPARTMENT) commissioner of education shall (ESTABLISH) maintain a program for providing in-service training to school district staff. (DURING THE FIRST YEAR, THE PROGRAM SHALL PROVIDE IN-SERVICE TRAINING TO ELEMENTARY AND SECONDARY STAFF IN MATHEMATICS, SCIENCE, AND SOCIAL SCIENCE. FOR) Each (SUCCEEDING) year (OF THE PROGRAM), the commissioner shall recommend to the legislature subject areas for (WHICH) in-service training programs (SHALL BE PROVIDED). In-service training programs shall (BE DESIGNED TO) emphasize the academic content of the subject area. They shall also offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures.

To the extent possible, the in-service training programs shall be integrated with the technology in-service training provided according to sections 129B.34 and 129B.35.

*Subd. 2. [NEED ASSESSMENT AND PLANNING GRANTS.] The commissioner shall determine the needs of pupils for a subject area using the statewide assessment program, before making subject area recommendations to the legislature. The commissioner shall consult with teachers of the subject area to determine the needs of teachers.*

*Subd. 3. [INITIAL PROPOSALS AND PLANNING GRANTS.] The commissioner shall request initial proposals from eligible organizations and institutions. After reviewing the initial proposals, the commissioner may award up to 20 grants to develop proposals for final selection.*

*Subd. (2) 4. [FINAL PROPOSALS.] (GRANT) Final proposals (SUBMITTED BY ELIGIBLE APPLICANTS TO THE DEPARTMENT) shall include at least the following:*

(a) a variety of staff education activities which are designed to assess and upgrade (SKILLS) the subject matter knowledge of those attending the training programs;

(b) provisions for addressing the requirements for licensure for those staff who currently are not licensed in the designated areas but who desire to be so licensed;

(c) a plan for staff who participate in the training program to return to their school districts and provide training programs or disseminate information on in-service programs to other staff in their districts and regions;

(d) a process for notifying staff in the state who teach in the designated subject areas and who are eligible for the program, a process for selecting staff to participate in the in-service training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;

(e) 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

(f) other information that may be requested by the department.

*Subd. (3) 5. [ELIGIBLE APPLICANTS.] The (DEPARTMENT) commissioner may (ALLOCATE MONEY) award grants to public or nonpublic institutions of higher edu-*

cation, public or private nonprofit organizations, educational cooperative service units, or school districts (FOR THE PURPOSE OF PROVIDING IN-SERVICE TRAINING ACCORDING TO THIS SECTION). When (APPROVING OR DISAPPROVING) *awarding* grants, the (DEPARTMENT) *commissioner* shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. (4) 6. [CONSULTATION.] When (MAKING GRANTS FOR THE IN-SERVICE TRAINING PROGRAMS ACCORDING TO THIS SECTION) *reviewing initial and final proposals*, the (DEPARTMENT) *commissioner* shall consult with elementary and secondary staff in the designated subject areas to ensure that proposals submitted incorporate recent research findings and address the retraining needs of staff in those subject areas.

Subd. (5) 7. [(PRIVATE) ADDITIONAL MONEY.] The commissioner (OF EDUCATION) may accept contributions from additional private or public sources to supplement state money (PROVIDED BY THIS SECTION). These contributions shall be added to the total amount of available state money and shall be administered (BY THE DEPARTMENT) in the same manner as state money.

(SUBD. 6. [FEDERAL MONEY.]) The commissioner (OF EDUCATION) shall apply for and accept all federal money available for in-service training programs in the designated subject areas.

Subd. (7) 8. [(APPLICATION) DATES.] (APPLICATIONS FOR IN-SERVICE TRAINING PROGRAMS TO BE CONDUCTED DURING A SCHOOL YEAR SHALL BE SUBMITTED TO THE DEPARTMENT BY JANUARY 15 PRECEDING THE BEGINNING OF THAT SCHOOL YEAR.) *The commissioner shall determine the dates by which initial and final proposals are to be submitted.* The (DEPARTMENT) *commissioner* shall (APPROVE OR DISAPPROVE APPLICATIONS) *award grants each year by* (THE FOLLOWING) March 1.

Sec. 2. Minnesota Statutes 1983 Supplement, section 121.608, is amended to read:

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. *The plan shall be revised as necessary.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 121.609, is amended to read:

121.609 [INSTRUCTIONAL EFFECTIVENESS TRAINING.]

Subdivision 1. [ADVISORY TASK FORCE; PROGRAM MODEL.] (BY JANUARY 1, 1984,) The commissioner of education shall appoint an advisory task force 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 (JANUARY 1) *June 30, 1985*, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models as necessary.

Subd. 3. [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 REPORT) *A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, (TO THE COMMISSIONER) shall be completed by January 1, 1985.*

*The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the pilot sites and other districts utilizing the instructional effectiveness models. The long-term evaluation instrument shall include a method for measuring student achievement.*

*Subd. 4. [REGIONAL SERVICES.] The department of education shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing instructional effectiveness models. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal.*

*Subd. 5. [INSTRUCTIONAL EFFECTIVENESS TRAINING.] Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4, the department of education shall provide instructional effectiveness training for school district staff. The training shall be provided by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The training shall include clarification of individual school goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional skills and instructional climate of the school, and planning of staff development programs.*

Sec. 4. Minnesota Statutes 1982, section 123.74, is amended to read:

123.74 [(POLICY) FINDINGS.]

The legislature finds that a process for curriculum evaluation and planning is needed for continued improvement of the educational program for all public school children in the state, and to allow for better evaluation of educational programs by local communities. The legislature further finds that such a process is needed to facilitate decisions by school boards and communities as to which services can best be provided by the public schools and which services can or should be provided by other institutions such as the family, the private sector or other public agencies. *The legislature further finds that efficient use of educational resources is needed with regard to educational technology and interdistrict cooperation.*

Sec. 5. Minnesota Statutes 1982, section 123.741, as amended by Laws 1983, chapter 314, article 8, section 9, is amended to read:

123.741 [(EDUCATION POLICY; CURRICULUM ADVISORY COMMITTEES) PLANNING, EVALUATION, AND REPORTING PROCESS.]

Subdivision 1. The school board of each school district in the state shall (DEVELOP AND) adopt a written (EDUCATIONAL) *planning, evaluation, and reporting* policy which establishes (EDUCATIONAL) *instructional goals and measurable learner objectives* for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. These goals shall include meeting the curriculum requirements adopted by the state board of education. The school board shall review this policy each year and (ADOPT REVISIONS WHICH IT DEEMS DESIRABLE) *identify annual instructional goals and measurable learner objectives to be addressed during the current school year*. School boards are encouraged to develop this school district policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board of a district is encouraged to consider: (a) the number of dropouts of school age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

Subd. 2. (THE SCHOOL BOARD SHALL INSTRUCT THE ADMINISTRATIVE AND PROFESSIONAL STAFF OF THE DISTRICT TO DEVELOP AN INSTRUCTIONAL PLAN FOR THE PURPOSE OF IMPLEMENTING THE GOALS ESTABLISHED IN THE DISTRICT EDUCATIONAL POLICY WITHIN RESOURCES AVAILABLE TO THE DISTRICT. INsofar AS POSSIBLE THE INSTRUCTIONAL PLAN SHALL INCLUDE MEASURABLE INSTRUCTIONAL OBJECTIVES TO ASSIST IN DIRECTING AND MEASURING PROGRESS TOWARD THE GOALS ESTABLISHED IN THE DISTRICT EDUCATIONAL POLICY. FOR GOALS TOWARD WHICH PROGRESS IS NOT EASILY MEASURABLE, THE INSTRUCTIONAL PLAN SHALL INCLUDE OTHER APPROPRIATE MEANS TO DIRECT AND EVALUATE PROGRESS)

*The school board shall instruct the administrative and professional staff of the district to develop an instructional plan for the purpose of implementing the instructional goals established in the district planning, evaluation, and reporting policy within the resources available to the district. To the extent possible, the instructional plan shall include instructional effectiveness processes developed pursuant to section 121.608 and integration of curriculum and technology developed under section 129B.33, to assist in directing and measuring progress toward the instructional goals established in the district planning, evaluation, and reporting policy. For instructional goals toward which progress is not easily measurable, the instructional plan shall include other appropriate means to direct and evaluate progress.*

Subd. 3. Each school board (IS ENCOURAGED TO APPOINT) *shall establish* a curriculum advisory committee to provide for active community participation in the process of developing and revising the district (EDUCATIONAL) *planning, evaluation, and reporting* policy, developing the instructional plan *identifying the annual instructional goals and measurable learner objectives*, evaluating progress, and reporting to the public. *The advisory committee shall be broadly representative of the community served by the school district and shall include teachers, parents, and other residents of the district.*

Subd. 4. Each year a final evaluation of progress shall be conducted, including both professional and consumer evaluations. The professional staff evaluation shall utilize test results and *may include* other performance data along with faculty interpretations and judgments. *Test results shall include local assessment data obtained pursuant to section 6, subdivision 2.* A consumer evaluation shall be conducted and *may include* the opinions of students, parents (AND), or other residents of the (COMMUNITY SERVED BY THE) school district.

Subd. 5. Upon (RECEIPT) *completion* of the annual evaluation (REPORTS, EACH) *the* school board shall review the results (AND DEVELOP) and adopt appropriate school district improvement plans (TO IMPROVE AREAS WHERE GOALS OF THE DISTRICT EDUCATIONAL POLICY HAVE NOT BEEN MET). *The school district improvement plans shall describe actions to be taken by the district to correct any weakness evident from the results of the district evaluation process.*

Subd. (5) 6. (THE DISTRICT EDUCATIONAL POLICY, THE REPORTS OF THE ANNUAL EVALUATION INCLUDING SUMMARY TEST RESULTS, AND THE PLANS FOR SCHOOL IMPROVEMENT SHALL BE MADE AVAILABLE TO THE CITIZENS OF THE SCHOOL DISTRICT THROUGH MEDIA RELEASES AND OTHER MEANS OF COMMUNICATING WITH THE PUBLIC. THESE DOCUMENTS) *By September 1 of each year, the local school board shall adopt a report which shall include the following:*

(a) *annual instructional goals which were addressed for that year in the planning, evaluation, and reporting process;*

(b) *appropriate evaluation of the annual instructional goals and measurable learner objectives;*

(c) *the results of the professional staff evaluation including local assessment data obtained pursuant to section 6, subdivision 2, and any additional appropriate test data;*

(d) *the results of the consumer evaluation;*

- (e) *the annual school district improvement plans; and*
- (f) *a biennial report of the district's review of the district-wide testing program.*

*The school board shall disseminate the report to the residents of the district by publication in the local newspaper with the largest circulation in the district or through the United States postal service. The report shall (ALSO) be on file and available for inspection by the public. A (INFORMATION COPIES) copy of the (REPORTS) report which is disseminated to the community shall be sent to the (STATE BOARD OF EDUCATION) commissioner of education by September 1 of each year. All activities and reports pursuant to this section shall comply with chapter 13, and any other law governing data on individuals in school districts.*

*Subd. 7. [BIENNIAL REVIEW; ASSESSMENT PROGRAM.] Beginning in the 1984-1985 school year, at least once every two years the school board shall review the district-wide testing program, using the following criteria:*

- (a) *written objectives of the testing program;*
- (b) *names of tests and grade levels tested; and*
- (c) *utilization of test results.*

*Sec. 6. Minnesota Statutes 1982, section 123.742, as amended by Laws 1983, chapter 258, section 26, is amended to read:*

**123.742 [ASSISTANCE TO LOCAL SCHOOL DISTRICTS; ASSESSMENT PROGRAMS.]**

*Subdivision 1. [TECHNICAL ASSISTANCE.] Insofar as possible, the (STATE BOARD) department of education and educational cooperative service units shall make technical assistance for planning and evaluation available to school districts upon request. The department shall collect the annual evaluation reports from local districts as provided in section 123.741, subdivision 5, and shall make this data available upon request to any district seeking to use it for purposes of comparisons of student performance.*

*Subd. 2. [LOCAL ASSESSMENT PROGRAM.] Beginning in the 1984-1985 school year, as part of the planning, evaluating, and reporting process, each school district shall conduct an assessment program, utilizing the local assessment option developed by the state department of education. Every year each school district shall conduct an assessment for at least one curriculum area in at least three grade levels.*

*Subd. 3. [PARTICIPATION IN STATEWIDE ASSESSMENT PROGRAM.] Beginning in the 1984-1985 school year, each school district shall participate in the statewide assessment sampling process at least once every three years to provide normative data. The department of education shall determine which districts shall participate and which curriculum areas shall be assessed in a given school year.*

*Subd. 4. [NEEDS OF HANDICAPPED PUPILS.] School boards are encouraged to consider the needs of handicapped students in determining the extent of their participation in the assessment programs in subdivisions 2 and 3. The district policy may provide for modifications in the testing procedures for handicapped students.*

*Subd. 5. [ASSESSMENT ITEM BANK.] The department of education may develop an assessment item bank for the purpose of providing assessment programs to individual districts which are tailored to the specific educational objectives of the district. Beginning in the 1984-1985 school year and each year thereafter, the department shall develop an item bank for at least two curriculum areas each year. The department shall develop an item bank for at least ten different curriculum areas.*

*Subd. 6. [ADDITIONAL TESTING.] The department upon written agreement with local school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services.*

*Subd. (3) 7. [CURRICULUM INFORMATION.] The department may provide available curriculum information for improving teaching practices at public elementary, secondary and post-secondary vocational schools. The information may be provided upon the request of a school district or an educational cooperative service unit with which the department has a written agreement. The department may collect reasonable fees not to exceed its actual costs for this service. The department may also accept money from any public or private source to defray the cost of this service.*

*Subd. (4) 8. [CAREER INFORMATION.] The department of education may provide career information to school districts and educational systems. The department may collect reasonable fees for subscriptions to the Minnesota career information service.*

*Sec. 7. Minnesota Statutes 1983 Supplement, section 123.743, is amended to read:*

**123.743 [APPROPRIATION.]**

*There is annually appropriated from the general fund to the department of education any and all amounts received by the*

department pursuant to section 123.742, subdivisions (2) 5, (3) 6, and (4) 7.

Sec. 8. [123.7431] [AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.]

*Subdivision 1. [ELIGIBILITY.] Each school district which completes the planning, evaluation, and reporting process pursuant to the requirements of sections 123.741 and 123.742 and which receives approval from the commissioner of education is eligible to receive state aid. An eligible school district shall receive \$1 times average daily membership for the applicable school year. No district which is eligible for aid shall receive less than \$1,500.*

*Subd. 2. [PAYMENT OF AID.] The department of education shall pay aid to a district within 30 days of approving the district's planning, evaluation, and reporting process.*

Sec. 9. Minnesota Statutes 1983 Supplement, section 129B.32, subdivision 3, is amended to read:

*Subd. 3. [COURSEWARE PACKAGE.] "Courseware package" means integrated videotape and videodisk, computer disk, and software and its supporting materials, such as workbooks and textbooks, and other computer support hardware that is an integral part of an educational software package, such as a printed circuit board, voice synthesizer which enables speech production and its speaker, tap master, valve simulator, and digital to analog converter board. It does not mean a central processing unit, disk drive, video monitor, printer, or similar items.*

Sec. 10. Minnesota Statutes 1983 Supplement, section 129B.36, is amended by adding a subdivision to read:

*Subd. 1a. By May 31, 1984, the state board shall designate additional technology demonstration sites. The sites shall be selected in accordance with the criteria in subdivisions 2 and 3 of this section and shall be selected from the applications submitted in accordance with subdivision 4 of this section.*

Sec. 11. Laws 1983, chapter 314, article 8, section 23, is amended to read:

Sec. 23. [RULEMAKING ON CURRICULUM.]

*Subdivision 1. By September (1) 30, 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 public secondary school stu-*

dents in the state. The *secondary curriculum* rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

*Subd. 2. By September 1, 1985, the state board of education shall adopt rules pursuant to chapter 14 establishing elementary curriculum requirements which will ensure that a minimum comprehensive educational program is available to all public elementary school students in the state. The elementary curriculum rules adopted by the state board shall be effective beginning in the 1986-1987 school year.*

#### Sec. 12. [SHARED FACILITIES REPORT.]

*The commissioner of education shall collect information on and evaluate methods for sharing public school facilities with other organizations including government agencies, social service agencies, and other nonprofit and for-profit organizations. By January 1, 1985, the commissioner shall prepare a written report and make it available in published form to school districts and other interested persons. In developing this report the commissioner shall consult with persons in school districts in Minnesota and other states that are sharing facilities.*

#### Sec. 13. [RESEARCH AND DEVELOPMENT GRANTS.]

*Subdivision 1. [PURPOSE.] The purpose of this section is to support research on alternative educational structures and practices within the state's public schools and to develop alternatives that are based on research.*

*Subd. 2. [RESEARCH AND DEVELOPMENT SUBJECTS.] The commissioner of education shall select subjects for research and development focusing on institutional changes intended to improve education at the elementary and secondary levels. The subjects may include, but are not limited to, the following:*

- (1) school site management;*
- (2) development of individualized education plans for all students;*
- (3) alternative staff compensation plans;*
- (4) alternative educational delivery systems;*
- (5) outcome based education; and*
- (6) provision of educational programs in school districts by contracting with professional partnerships composed of licensed teachers.*



**Subd. 3. [ADVISORY TASK FORCE.]** *The commissioner of education shall appoint an advisory task force on research and development for institutional change. The advisory task force shall include at least 11 members. All members shall have knowledge and experience in educational research, educational administration, or teaching. The advisory task force shall assist the commissioner in carrying out the commissioner's responsibilities under this section. The terms, compensation, and removal of members shall be governed by the provisions of section 15.059, subdivision 6.*

**Subd. 4. [PRELIMINARY STUDIES.]** *The commissioner shall contract for preliminary studies to assist the commissioner in establishing research and development needs and selecting subjects for proposals. Preliminary studies shall include recommendations for evaluation procedures which the commissioner may use if the commissioner issues a grant for research and development in that particular subject.*

**Subd. 5. [REPORT TO LEGISLATURE; TOPICS.]** *By February 1, 1985, the commissioner shall report to the legislature on the research needs that the commissioner has identified, the recommended topics for proposals, and the potential need for changes in rules and laws to facilitate the research and development projects. The report shall include specific proposals for evaluation of research and development projects which will be funded under the provisions of this section. The legislature shall consider the recommendations of the commissioner in determining the appropriation for research grants to be disbursed under the provisions of this section.*

**Subd. 6.** *By June 1, 1985, the commissioner shall request proposals on three to six research and development subjects. Each request for proposals shall state the means by which the commissioner intends to evaluate the research and development project upon its completion. By September 1, 1985, the commissioner shall review the proposals it receives and select proposals for funding.*

**Subd. 7. [REPORT TO LEGISLATURE; RESEARCH REPORTS.]** *By February 1, 1988, the commissioner shall report to the legislature. The report shall include the commissioner's evaluation of each research and development project, recommendations for institutional changes in the structure of elementary and secondary education, and recommendations for other ways of improving elementary and secondary education.*

#### **Sec. 14. [STUDY OF TEACHER EDUCATION.]**

**Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.]** *The higher education coordinating board shall conduct a study, in cooperation with the board of teaching, of teach-*

er education programs in public and private institutions of higher education. The study shall result in a report and recommendations on the number, enrollment, mission, and location of all teacher education programs. The report shall include information and recommendations on the need for in-service education and the relationship of in-service, preservice, and graduate education. It shall also include information and recommendations for improving the quality and efficiency of teacher education programs by the use of standardized tests for beginning teachers, alternative methods of teacher preparation and licensure, and other means. The report shall be submitted to the education committees of the legislature by January 1, 1985.

*Subd. 2. [FACTORS.] In developing its recommendations, the higher education coordinating board shall consider factors including, but not limited to:*

- (a) the existing pool of licensed but inactive teachers;*
- (b) the demand for teachers in preschool, elementary, and secondary education;*
- (c) the number of teacher education programs and the annual number of graduates;*
- (d) admission criteria for teacher education programs;*
- (e) access of students to special or unique programs;*
- (f) procedures for licensing qualified, unlicensed individuals;*
- (g) the feasibility of modifying state criteria for teacher licensure;*
- (h) teacher preparation and licensure procedures in other states;*
- (i) available information about the use and effectiveness of standardized tests for beginning teachers; and*
- (j) possible alternative methods for licensure such as an undergraduate degree in a subject area plus an extended internship program.*

**Sec. 15. [COOPERATION OF BOARDS AND INSTITUTIONS.]**

*All higher education governing boards and public and private institutions are requested to cooperate fully with the higher education coordinating board in the preparation of the teacher education study, pursuant to section 136A.05.*

**Sec. 16. [SUSPENSION ON LICENSE RULES.]**

*The board of teaching shall not adopt any new or amended rules relating to licensing teachers until July 1, 1985.*

**Sec. 17. [SPECIAL EDUCATION: EARLY CHILDHOOD RULES.]**

*Subdivision 1. Colleges and universities which offer approved special education: early childhood programs shall, upon request of the state board of teaching, update their description of assessment of previous teaching experience and previous teacher preparation as required by 5 MCAR S 3.0902. The board of teaching shall suspend application of 5 MCAR S 3.0902B.6 for teachers who provide evidence to the board of teaching of two years of teaching experience in a special education: early childhood program setting, as verified by the employing district superintendent.*

*Subd. 2. [REVIEW.] The board of teaching shall establish a review panel to review any disputes between the teacher and the institution relating to the assessment of previous teaching experience and previous teacher preparation. The review panel shall consist of two licensed practitioners in the special education: early childhood field; one special education: early childhood specialist in the department of education, and one faculty member from a higher education institution offering an approved special education: early childhood program. The decision of the review panel shall be final.*

*Subd. 3. [PROVISIONAL LICENSES.] All persons currently holding a provisional license in special education: early childhood, pursuant to 5 MCAR 3.0902D which is due to expire on July 1, 1984, may request an extension of the provisional license which shall be valid until July 1, 1985. They shall submit the requests to the personnel licensing section of the department of education.*

**Sec. 18. [SCHOOL MANAGEMENT TASK FORCE.]**

*Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall appoint a task force to make recommendations about an assessment center and in-service training for principals and assistant principals. The task force shall consist of 15 members. Two members shall be from the elementary principals association, and two members shall be from the secondary school principals association. One member shall represent the educational cooperative service units. One member shall be from each of the following organizations: Minnesota association of school administrators, Minnesota school boards association, administrative women in education, Minnesota federation of teachers, and*

*Minnesota education association. The commissioner shall appoint a member from the University of Minnesota or from another institution with a teacher preparation program, or both. Members of the task force shall receive expenses in the same manner and amount as state employees. The task force shall terminate on January 1, 1986.*

*Subd. 2. [DUTIES.] The task force shall make recommendations to the commissioner of education about the types of in-service training that are needed and how to provide effective in-service training for principals. The task force shall also make recommendations to the commissioner about an assessment center, including the location, costs of operation, staffing, manner of operation, services to be provided, fees for school districts, and other matters.*

**Sec. 19. [INCREASE IN COMPLEMENT.]**

*To implement the provisions of section 18, the department of education may increase its complement by two positions: one education specialist II, and one clerical support position. The positions are in the classified service of the state civil service.*

**Sec. 20. [DEADLINE FOR EXPERIENCE FOR MIDDLE SCHOOL LICENSE.]**

*The deadline for a licensed elementary or secondary teacher to gain the three years' Minnesota middle school teaching experience necessary to be issued a middle school teaching license, upon application, under Minnesota Rules, part 8700.3400, subparts 11 and 12, is extended from July 1, 1983, to July 1, 1984.*

**Sec. 21. [REVISOR TO CONFORM RULE.]**

*The revisor of statutes shall change Minnesota Rules, part 8700.3400, subparts 11 and 12, to agree with the extension made by section 20.*

**Sec. 22. [DEPARTMENT OF EDUCATION APPROPRIATIONS.]**

*Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section. The sums are available until June 30, 1985.*

*Subd. 2. [SUBJECT AREA IN-SERVICE TRAINING.] The sum of \$270,000 is appropriated for subject area in-service training, according to section 121.601. This appropriation is in addition to the \$500,000 appropriated to provide subject area in-service training by Laws 1983, chapter 314, article 8, section 26, subdivision 2.*

(a) Of the sum, \$210,000 shall be used for grants for in-service training in the following:

Math ..... \$ 65,000

Science ..... \$105,000

Social Studies ..... \$ 40,000

The in-service training shall emphasize academic content in each of the subject areas. The grants shall be in addition to those awarded in fiscal 1984.

(b) The remaining \$60,000 shall be for the department to assess future needs for subject area in-service training and for planning grants. The assessment and planning grants shall emphasize the academic content of the subject area.

Subd. 3. [INSTRUCTIONAL EFFECTIVENESS; EVALUATION INSTRUMENT.] The sum of \$250,000 is appropriated for the development of the training models specified in section 121.609, subdivision 4, as amended, and for the development of a long-term evaluation instrument pursuant to section 121.609, subdivision 3.

Subd. 4. [INSTRUCTIONAL EFFECTIVENESS; REGIONAL SERVICES.] The sum of \$330,000 is appropriated for the purposes of section 121.609, subdivision 4, as amended. The department shall allocate this appropriation to the educational cooperative service unit regions based on a formula that takes into account the number of school buildings, number of participating staff, and geographic distance between the service provider and the participating school districts. Any educational cooperative service unit or other provider agency receiving funds pursuant to this section shall match the funds with an amount equal to 25 percent of the allocation.

Subd. 5. [INSTRUCTIONAL EFFECTIVENESS; TRAINING.] The sum of \$250,000 is appropriated for the purposes of section 121.609, subdivision 5, as amended. This amount shall be used to pay for the costs of providing instructional effectiveness training to school district staff, including the costs of stipends or substitute teachers.

Subd. 6. [INSTRUCTIONAL EFFECTIVENESS; COMPLEMENT.] The sum of \$70,000 is appropriated for the purposes of increasing the complement in the instructional effectiveness program by two positions.

Subd. 7. [SHARED FACILITIES REPORT.] The sum of \$10,000 is appropriated for the purposes of preparing a report on methods for sharing public school facilities.

**Subd. 8. [RESEARCH AND DEVELOPMENT GRANTS.]** *There is appropriated from the general fund to the department of education for the biennium ending June 30, 1985, the sum of \$150,000 for the research and development grant program authorized in section 13. No more than \$80,000 of this appropriation shall be used for staff expenses. The department of education may increase its authorized complement until June 30, 1985, by one professional and one clerical position to provide support for the grant program. At least \$50,000 of this appropriation shall be used for contracts for preliminary studies.*

**Subd. 9. [SCHOOL MANAGEMENT.]** *The sum of \$25,000 is appropriated for school management. Of this sum \$10,000 is for the school management task force. The remaining \$15,000 is to be used by the commissioner of education for initial administrative costs in establishing an assessment center.*

**Subd. 10. [LOCAL ASSESSMENT PROGRAM.]** *The sum of \$575,000 is appropriated for fiscal year 1985 for the purposes of implementing the requirements of section 6, subdivision 2. The department may use up to \$200,000 of the appropriation for initial costs of establishing the program and up to \$150,000 to increase the staff complement in the assessment division.*

**Subd. 11. [DEVELOPMENT OF TEST ITEM BANK.]** *The sum of \$320,000 is appropriated for fiscal year 1985 for the purposes of section 6, subdivision 5. The department may use up to \$80,000 of the appropriation to increase the staff complement in the assessment division.*

**Subd. 12. [PLANNING, EVALUATION, AND REPORTING PROCESS.]** *The sum of \$1,020,000 is appropriated for fiscal year 1985 for the purposes of section 8.*

**Subd. 13. [TECHNOLOGY DEMONSTRATION SITES.]** *The sum of \$375,000 is appropriated to make the grants pursuant to section 10.*

**Sec. 23. [HECB APPROPRIATION.]**

*The sum of \$20,000 is appropriated from the general fund to the higher education coordinating board to conduct a study of teacher education programs. A portion of this sum may be used for consultants. The sum shall be available until June 30, 1985.*

**Sec. 24. [EFFECTIVE DATE.]**

*Sections 1 to 23 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; modifying the foundation aid formula; granting certain powers and duties to school boards, school districts, the state board of education, the commissioner of education, the department of education, the state board of vocational-technical education, the state director of vocational-technical education, the higher education coordinating board, and others; providing for an equalized summer school aid and levy; increasing the community education aid and levy; modifying the vocational instructional aid payment formula; establishing a schools of excellence program; requiring an arts education study; expanding in-service and instructional effectiveness training programs; improving the planning, evaluation, and reporting process; establishing assessment programs; establishing a research and development grant program; appropriating money; amending Minnesota Statutes 1982, sections 121.908, by adding a subdivision; 121.935, subdivisions 2 and 6; 121.936, subdivision 1; 122.532, by adding a subdivision; 123.36, subdivision 10; 123.74; 123.741, as amended; 123.742, as amended; 124.19, by adding a subdivision; 124.20; 124.201, subdivision 1; 124.214, subdivision 1; 124.565, subdivision 7; 136A.02, subdivision 6; 275.125, by adding subdivisions; 465.721; 471.61, subdivisions 1 and 2a; Minnesota Statutes 1983 Supplement, sections 120.17, subdivision 3b; 121.601; 121.608; 121.609; 121.904, subdivision 4a; 123.36, subdivision 13; 123.743; 124.155, subdivision 1; 124.195, subdivisions 1, 9, and 10; 124.201, subdivisions 2, 4, and 5; 124.2122; 124.2126, subdivision 3; 124.2138; 124.271, subdivision 2b; 124.5615, subdivision 5; 124.5629; 124A.06, subdivision 1; 124A.12, subdivision 1; 124A.14, subdivision 1; 124A.16, subdivision 4; 125.032, subdivision 2; 129B.32, subdivision 3; 129B.36, by adding a subdivision; 136C.04, by adding a subdivision; 275.125, subdivisions 2e, 2k, 8, 8a, 9b, 11a, and 11c; 298.28, subdivision 1; 466.06; 475.61, subdivision 3; Laws 1976, chapter 20, section 5, subdivision 1; Laws 1983, chapter 314, article 6, section 34, subdivision 12; article 7, section 45; article 8, section 23; and article 9, section 14, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 121, 123, 124, and 136C; repealing Minnesota Statutes 1982, sections 124.201, as amended; 124.32, subdivisions 1a, 1e, and 2a; 125.60, subdivision 2a; and 275.125, subdivision 2g; and Minnesota Statutes 1983 Supplement, sections 124.32, subdivision 5a; and 275.125, subdivisions 2i and 2j."

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

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1401, A bill for an act relating to workers' compensation; providing coverage for ambulance drivers and attendants; amending Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1422, A bill for an act relating to corporations; regulating corporate take-overs; requiring certain disclosures; providing certain limitations on offerors; prescribing suspension powers of the commissioner; providing a hearing; regulating control share acquisitions of Minnesota business corporations; defining terms; prescribing penalties; amending Minnesota Statutes 1982, sections 80B.01; 80B.03, subdivisions 1, 2, and 5, and by adding subdivisions; 80B.05; 80B.06; 80B.07; 80B.08; 80B.10; 302A.011, by adding subdivisions; 302A.449, by adding a subdivision; 302A.461, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1982, sections 80B.02; 80B.03, subdivisions 3 and 4; and 80B.12, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE INTENT.]

*Subdivision 1. [FINDINGS.] The legislature finds that take-overs, particularly hostile take-overs:*

*(1) exaggerate the tendency of many businesses to focus on short-term performance to the detriment of such long-term societal interests as increased research and development, improved productivity, and the modernization of physical plant and employee capabilities;*

*(2) are often inconsistent with the economic interests of shareholders;*

*(3) in many instances threaten the jobs and careers of Minnesota citizens and undermine the ethical foundations of com-*



*panies, as when jobs are eliminated and career commitments to employees are breached or ignored;*

*(4) often result in plant closings or consolidations that damage communities dependent on the jobs and taxes provided by these plants;*

*(5) not infrequently wipe out long-standing customer/supplier relationships and the stability and continuity which these relationships provide throughout society;*

*(6) frequently tie up billions of dollars of scarce capital that could be more effectively applied;*

*(7) all too often stifle, and ultimately destroy, the entrepreneurial, innovative spirit of creative individuals in independent firms; and*

*(8) are usually conducted in an atmosphere and pursuant to laws that do not provide a reasonable opportunity for affected parties to make informed decisions.*

*Subd. 2. [PURPOSES.] The purposes of sections 1 to 18 are to:*

*(1) assure that the impacts of take-overs on all affected constituencies are identified and disclosed prior to the consummation of these transactions;*

*(2) provide to shareholders both necessary information and the opportunity to thus cast fully informed votes on any take-over transactions;*

*(3) encourage reasoned decision-making by assuring equal financial treatment of all shareholders similarly situated at the time any take-over attempt is initiated; and*

*(4) amend Minnesota Statutes, chapters 80B and 302A to conform with requirements suggested by decisions of the Supreme Court of the United States.*

*Sec. 2. Minnesota Statutes 1982, section 80B.01, is amended to read:*

**80B.01 [DEFINITIONS.]**

*Subdivision 1. When used in sections 80B.01 to 80B.13, unless the context otherwise requires, the following words shall have the meanings herein ascribed to them.*

*Subd. 2. "Affiliate" of a person means any person controlling, controlled by, or under common control with such person.*

Subd. 3. "Associate" of a person means any person acting jointly or in concert with such person for the purpose of acquiring, holding or disposing of, or exercising any voting rights attached to the equity securities of an issuer.

Subd. 4. "Commissioner" means the commissioner of (SECURITIES AND REAL ESTATE) *commerce*.

Subd. 5. "Equity security" means any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the commissioner shall deem to be of similar nature and consider necessary or appropriate, by such rules as he may prescribe in the public interest and for the protection of investors, to treat as an equity security.

Subd. 6. "Offeror" means a person who makes or in any way participates in making a take-over offer. Offeror does not include any bank or broker-dealer loaning funds to an offeror in the ordinary course of its business, or any bank, broker-dealer, attorney, accountant, consultant, employee, or other person furnishing information or advice to or performing ministerial duties for an offeror, and not otherwise participating in the take-over offer.

Subd. 7. "Offeree" means the beneficial owner, *residing in Minnesota*, of equity securities which an offeror offers to acquire in connection with a take-over offer.

Subd. 8. "Take-over offer" means the offer to acquire any equity securities of a target company *from a resident of this state* pursuant to a tender offer or request or invitation for tenders, if after the acquisition of all securities acquired pursuant to the offer *either (1) the offeror would be directly or indirectly a beneficial owner of more than ten percent of any class of the outstanding equity securities of the target company; or (2) the beneficial ownership by the offeror of any class of the outstanding equity securities of the target company would be increased by more than five percent. Clause (2) does not apply if after the acquisition of all securities acquired pursuant to the offer, the offeror would not be directly or indirectly a beneficial owner of more than ten percent of any class of the outstanding equity securities of the target company.* Take-over offer does not include:

(a) (AN OFFER TO PURCHASE SECURITIES WHICH ARE CURRENTLY PUBLICLY TRADED FROM OR THROUGH A BROKER-DEALER AT THE CURRENT MARKET PRICE;)

((B)) An offer to exchange the securities of one issuer for the securities of another issuer, if the offer is registered (OR EXEMPT FROM REGISTRATION) under chapter 80A (AND REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933;)

((C) AN OFFER AS TO WHICH THE TARGET COMPANY, ACTING THROUGH ITS BOARD OF DIRECTORS, RECOMMENDS ACCEPTANCE TO ITS STOCKHOLDERS, IF THE OFFER IS MADE TO ALL STOCKHOLDERS ON SUBSTANTIALLY EQUAL TERMS);

((D)) (b) An offer (WHICH, IF ACCEPTED BY ALL OFFEREES, WILL NOT RESULT IN THE OFFEROR HAVING ACQUIRED MORE THAN TWO PERCENT OF THE SAME CLASS OF EQUITY SECURITIES OF THE ISSUER WITHIN THE PRECEDING 12 MONTH PERIOD) *in connection with the acquisition of a security which, together with all other acquisitions by the offeror of securities of the same class of equity securities of the issuer, would not result in the offeror having acquired more than two percent of this class during the preceding 12-month period;*

((E)) (c) An offer by the issuer to acquire its own equity securities;

((F) ANY OFFER WHICH THE COMMISSIONER, BY RULE OR ORDER, SHALL EXEMPT FROM THE DEFINITION OF "TAKE-OVER OFFER" AS NOT BEING ENTERED INTO FOR THE PURPOSE OF, AND NOT HAVING THE EFFECT OF, CHANGING OR INFLUENCING THE CONTROL OF THE ISSUER OR OTHERWISE AS NOT COMPREHENDED WITHIN THE PURPOSES OF SECTIONS 80B.01 TO 80B.13.)

(d) *An offer in which the target company is an insurance company subject to regulation by the commissioner, a financial institution regulated by the commissioner, or a public service utility subject to regulation by the public utilities commission.*

Subd. 9. "Target company" means an issuer of *publicly traded equity securities* ((A)) which (IS ORGANIZED UNDER THE LAWS OF THIS STATE OR) has (ITS PRINCIPAL OFFICE IN THIS STATE; (B) WHICH HAS A SUBSTANTIAL PORTION OF ITS ASSETS LOCATED IN THIS STATE; (C) WHOSE EQUITY SECURITIES OF ANY CLASS ARE, OR WITHIN THE PAST TWO YEAR PERIOD HAVE BEEN, REGISTERED UNDER CHAPTER 80A; AND (D) WHOSE EQUITY SECURITIES ARE THE SUBJECT OF A TAKE-OVER OFFER) *at least 20 percent of its equity securities beneficially held by residents of this state and has substantial assets in this state. For the purposes of this chapter,*

*an equity security is publicly traded if a trading market exists for the security at the time the offeror makes a take-over offer for the security. A trading market exists if the security is traded on a national securities exchange, whether or not registered pursuant to the Securities Exchange Act of 1934, or the over-the-counter market.*

*Subd. 10. "Beneficial owner" includes, but is not limited to, any person who directly or indirectly through any contract, arrangement, understanding, relationship, or otherwise has or shares the power to vote or direct the voting of a security and/or the power to dispose of, or direct the disposition of, the security. "Beneficial ownership" includes, but is not limited to, the right, exercisable within 60 days, to acquire securities through the exercise of options, warrants, or rights or the conversion of convertible securities, or otherwise. The securities subject to these options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by this person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person. A person shall be deemed the beneficial owner of securities beneficially owned by any relative or spouse or relative of the spouse residing in the home of this person, any trust or estate in which this person owns ten percent or more of the total beneficial interest or serves as trustee or executor, any corporation or entity in which this person owns ten percent or more of the equity, and any affiliate or associate of this person.*

**Sec. 3.** Minnesota Statutes 1982, section 80B.03, subdivision 1, is amended to read:

**Subdivision 1.** It is unlawful for any person to make a take-over offer (INVOLVING A TARGET COMPANY IN THIS STATE,) or to acquire any equity securities (OF THE TARGET COMPANY) pursuant to the offer, unless the offer is effective under sections 80B.01 to 80B.13 (OR IS EXEMPTED BY RULE OR ORDER OF THE COMMISSIONER. BEFORE A TAKE-OVER OFFER BECOMES EFFECTIVE UNDER SECTIONS 80B.01 TO 80B.13,). A take-over offer is effective when the offeror files with the commissioner a registration statement containing the information prescribed in section 80B.03, subdivision 6. The offeror shall (FILE WITH THE COMMISSIONER A REGISTRATION STATEMENT CONTAINING THE INFORMATION PRESCRIBED IN SECTION 80B.02, AND SHALL SEND) deliver a copy of the registration statement by certified mail to the target company at its principal office and publicly disclose the material terms of the proposed offer, not later than the date of filing of the registration statement. Public disclosure shall require, at a minimum, that a copy of the registration statement be supplied to all broker-dealers maintaining an office in this state currently quoting the security.

Sec. 4. Minnesota Statutes 1982, section 80B.03, subdivision 2, is amended to read:

Subd. 2. The registration statement shall be filed on forms prescribed by the commissioner, and shall be accompanied by a consent by the offeror to service of process and the filing fee specified in section 80B.08, and shall contain the following information and such additional information as the commissioner by rule prescribes.

(a) All of the information specified in section (80B.02) 80B.03, subdivision (2) 6;

(b) Two copies of all solicitation materials intended to be used in the take-over offer in the form proposed to be published or sent or delivered to offerees;

(c) If the offeror is other than a natural person, information concerning its organization and operations, including the year, form and jurisdiction of its organization, a description of each class of equity security and long term debt, a description of the business conducted by the offeror and its subsidiaries and any material changes therein during the past three years, a description of the location and character of the principal properties of the offeror and its subsidiaries, a description of any material pending legal or administrative proceedings in which the offeror or any of its subsidiaries is a party, the names of all directors and executive officers of the offeror and their material business activities and affiliations during the past three years, and financial statements of the offeror in such form and for such period of time as the commissioner may by rule prescribe;

(d) If the offeror is a natural person, information concerning his identity and background, including his business activities and affiliations during the past three years, and a description of any material pending legal or administrative proceedings in which the offeror is a party.

Sec. 5. Minnesota Statutes 1982, section 80B.03, is amended by adding a subdivision to read:

*Subd. 3a. Registration is not deemed approval by the commissioner and any representation to the contrary is unlawful.*

Sec. 6. Minnesota Statutes 1982, section 80B.03, is amended by adding a subdivision to read:

*Subd. 4a. Within three calendar days of the date of filing of the registration statement, the commissioner may by order summarily suspend the effectiveness of the take-over offer if the commissioner determines that the registration statement does*

*not contain all of the information specified in subdivision 6 or that the take-over offer materials provided to offerees do not provide full disclosure to offerees of all material information concerning the take-over offer. The suspension shall remain in effect only until the determination following a hearing held pursuant to subdivision 5.*

Sec. 7. Minnesota Statutes 1982, section 80B.03, subdivision 5, is amended to read:

Subd. 5. (ANY) A hearing *shall be scheduled by the commissioner with respect to each suspension under this section and shall be held within (20) ten calendar days of the date of (FILING OF THE REGISTRATION STATEMENT UNDER SUBDIVISION 1, AND ANY) the suspension. Chapter 14 does not apply to the hearing. The commissioner's determination made following the hearing shall be made within (20) three calendar days after such hearing has been (CLOSED, UNLESS EXTENDED BY ORDER OF THE COMMISSIONER WITH THE CONSENT OF ALL INTERESTED PARTIES) completed but not more than 16 calendar days after the date of the suspension. The commissioner may prescribe different time limits than those specified in this subdivision by rule or order. If, based upon the hearing, the commissioner finds that the take-over offer fails to provide for full and fair disclosure to offerees of all material information concerning the offer, or that the take-over offer is (UNFAIR OR INEQUITABLE TO OFFEREEES OR WILL NOT BE MADE TO ALL STOCKHOLDERS ON SUBSTANTIALLY EQUAL TERMS OR IS) in material violation of (CHAPTER 80A OR) any provision of sections 80B.01 to 80B.13, (HE SHALL BY ORDER DENY REGISTRATION OF THE OFFER) the commissioner shall permanently suspend the effectiveness of the take-over offer, subject to the right of the offeror to correct disclosure and other deficiencies identified by the commissioner and to reinstitute the take-over offer by filing a new or amended registration statement pursuant to section 80B.03.*

Sec. 8. Minnesota Statutes 1982, section 80B.03, is amended by adding a subdivision to read:

Subd. 6. *The form required to be filed by subdivision 2, clause (a), shall contain the following information and additional information the commissioner may by rule prescribe:*

(a) *the identity and background of all persons on whose behalf the acquisition of any equity security of the issuer has been or is to be affected;*

(b) *the source and amount of funds or other consideration used or to be used in acquiring any equity security, including, if applicable, a statement describing any securities which are being offered in exchange for the equity securities of the issuer,*

*and if any part of the acquisition price is or will be represented by borrowed funds or other consideration, a description of the material terms of any financing arrangements and the names of the parties from whom the funds were borrowed;*

*(c) if the purpose of the acquisition is to gain control of the target company, a statement of any plans or proposals which the person has, upon gaining control, to liquidate the issuer, sell its assets, effect its merger or consolidation, to change the location of its principal executive office or of a material portion of its business activities, to change its management or policies of employment, to materially alter its relationship with suppliers or customers or the communities in which it operates, or make any other major change in its business, corporate structure, management or personnel, and other information which would affect the shareholders' evaluation of the acquisition;*

*(d) the number of shares or units of any equity security of the issuer owned beneficially by the person and any affiliate or associate of the person, together with the name and address of each affiliate or associate;*

*(e) the material terms of any contract, arrangement, or understanding with any other person with respect to the equity securities of the issuer whereby the person filing the statement has or will acquire any interest in additional equity securities of the issuer, or is or will be obligated to transfer any interest in the equity securities to another.*

Sec. 9. Minnesota Statutes 1982, section 80B.05, is amended to read:

**80B.05 [FRAUDULENT AND DECEPTIVE PRACTICES.]**

It is unlawful for any offeror or target company or any controlling person of an offeror or target company or any broker-dealer acting on behalf of an offeror or target company to engage in any fraudulent, deceptive or manipulative acts or practices in connection with a take-over offer. Fraudulent, deceptive and manipulative acts or practices include, without limitation:

(1) The publication or use in connection with the offer of any false statement of a material fact or the omission to state a material fact necessary to make the statements made not misleading;

(2) The sale by any controlling shareholders of a target company of any or their equity securities to the offeror for a consideration greater than that to be paid other stockholders pursuant to the offer or the purchase of any of the securities of a controlling shareholder of the target company by the offeror for

a consideration greater than that to be paid other shareholders, pursuant to an agreement not disclosed to the other shareholders;

(3) The refusal by a target company to permit an offeror who is a stockholder of record to examine its list of stockholders, and to make extracts therefrom, pursuant to the applicable corporation statutes, for the purpose of making a take-over offer in compliance with sections 80B.01 to 80B.13, or in lieu thereof, to mail any solicitation materials published by the offeror to its security holders with reasonable promptness after receipt from the offeror of such materials together with the reasonable expenses of postage and handling;

(4) *The solicitation of any offeree for acceptance or rejection of a take-over offer or acquisition of any equity security pursuant to a take-over offer before the take-over offer is effective under sections 80B.01 to 80B.13 or while the offer is suspended under sections 80B.01 to 80B.13.*

Sec. 10. Minnesota Statutes 1982, section 80B.06, is amended to read:

#### 80B.06 [LIMITATIONS ON OFFERORS.]

Subdivision 1. No offeror may make a take-over offer (INVOLVING A TARGET COMPANY) which is not made to stockholders in this state on substantially the same terms as the offer is made to stockholders outside this state.

Subd. 2. An offeror shall provide that any equity securities of a target company deposited or tendered pursuant to a take-over offer may be withdrawn by or on behalf of any offeree at any time within seven days from the date the offer has become effective under sections 80B.01 to 80B.13 and after 60 days from the date the offer has become effective under sections 80B.01 to 80B.13, except as the commissioner may otherwise prescribe by rule or order for the protection of investors.

Subd. 3. If an offeror makes a take-over offer for less than all the outstanding equity securities of any class, and if the number of securities deposited or tendered pursuant thereto within ten days after the offer has become effective under sections 80B.01 to 80B.13 and copies of the offer, or notice of any increase in the consideration offered, are first published or sent or given to security holders is greater than the number the offeror has offered to accept and pay for, the securities shall be accepted pro rata, disregarding fractions, according to the number of securities deposited or tendered by each offeree.

Subd. 4. If an offeror varies the terms of a take-over offer before its expiration date by increasing the consideration offered



to security holders, the offeror shall pay the increased consideration for all equity securities accepted, whether such securities have been accepted by the offeror before or after the variation in the terms of the offer.

Subd. 5. No offeror may make a take-over offer (INVOLVING A TARGET COMPANY IN THIS STATE,) or acquire any equity securities (OF A TARGET COMPANY) *in this state* pursuant to the take-over offer, at any time when (AN ADMINISTRATIVE OR INJUNCTIVE PROCEEDING IS PENDING ON BEHALF OF THE COMMISSIONER AGAINST THE OFFEROR ALLEGING A VIOLATION OF SECTIONS 80B.01 TO 80B.13 OR) *any proceeding by the commissioner is pending against the offeror alleging a violation of any provision of sections 80B.01 to 80B.13 or chapter 80A.*

Subd. 6. No offeror may acquire, remove or exercise control, directly or indirectly, over any (ASSETS OF A) target company assets located in this state (UNLESS THE TAKE-OVER OFFER IS EFFECTIVE OR EXEMPT UNDER SECTIONS 80B.01 TO 80B.13, EXCEPT AS PERMITTED BY ORDER OF THE COMMISSIONER) *pursuant to a take-over offer at any time when any proceeding by the commissioner is pending against the offeror alleging a violation of any provision of this chapter or chapter 80A.*

Subd. 7. No offeror may acquire from any resident of this state in any manner any equity securities of any class of a target company at any time within two years following the last purchase of securities pursuant to a take-over offer with respect to that class, including, but not limited to, acquisitions made by purchase, exchange, merger, consolidation, partial or complete liquidation, redemption, reverse stock split, recapitalization, reorganization or any other similar transaction, unless the holders of the equity securities are afforded, at the time of the acquisition, a reasonable opportunity to dispose of the securities to the offeror upon substantially equivalent terms as those provided in the earlier take-over offer.

Sec. 11. Minnesota Statutes 1982, section 80B.07, is amended to read:

#### 80B.07 [ADMINISTRATION, RULES AND ORDERS.]

Subdivision 1. (SECTIONS 80B.01 TO 80B.13 SHALL BE ADMINISTERED BY) *In administering the provisions of sections 80B.01 to 80B.13, the commissioner (OF SECURITIES AND REAL ESTATE, WHO) may exercise all powers granted to him under chapter 80A, which are not inconsistent with sections 80B.01 to 80B.13.*

Subd. 2. The commissioner may make and adopt such rules and forms as are necessary to carry out the purposes of sections 80B.01 to 80B.13, including, without limitation, rules defining terms used in sections 80B.01 to 80B.13.

Subd. 3. The commissioner may by rule or order exempt from any provisions of sections 80B.01 to 80B.13 *any proposed take-over (OFFERS) offer or any category or type of take-over offer* which (HE) *the commissioner* determines (ARE) *does not* (MADE FOR) *have* the purpose (AND DO NOT HAVE THE) or effect of changing or influencing the control of a target company or where he determines that compliance with sections 80B.01 to 80B.13 is not necessary for the protection of the offerees, and (HE) *the commissioner* may similarly exempt any persons from the requirement of filing statements under sections 80B.01 to 80B.13.

Sec. 12. Minnesota Statutes 1982, section 80B.08, is amended to read:

80B.08 [FEES AND EXPENSES.]

The commissioner shall charge a filing fee of (\$100) \$250 for a registration statement filed by an offeror (AND \$100 FOR A REQUEST FOR HEARING FILED BY A TARGET COMPANY OR ITS SHAREHOLDERS. THE EXPENSES REASONABLY ATTRIBUTABLE TO ANY HEARING SCHEDULED AT THE REQUEST OF THE TARGET COMPANY OR ITS SHAREHOLDERS SHALL BE CHARGED RATABLY TO THE OFFEROR AND THE PERSON REQUESTING THE HEARING, BUT THE TOTAL AMOUNT CHARGED SHALL NOT EXCEED \$500).

Sec. 13. Minnesota Statutes 1982, section 80B.10, is amended to read:

80B.10 [PENALTIES.]

Subdivision 1. Any person, including a controlling person of an offeror or target company, who violates (SECTIONS 80B.03 TO 80B.06) *any provision of sections 80B.01 to 80B.13* or any rule thereunder, or any order of the commissioner of which (HE) *this person* has notice, (OR WHO WILLFULLY VIOLATES SECTION 80B.02 OR ANY RULE OR ORDER THEREUNDER,) may be fined not more than (\$5,000) \$25,000 or imprisoned not more than five years or both. Each of the acts specified shall constitute a separate offense and a prosecution or conviction for any one of such offenses shall not bar prosecution or conviction for any other offense. No indictment or information may be returned under sections 80B.01 to 80B.13 more than six years after the alleged violation.

Subd. 2. The commissioner may refer such evidence as is available concerning violations of sections 80B.01 to 80B.13 or of any rule or order hereunder to the attorney general or the county attorney of the appropriate county who may, with or without any reference, institute the appropriate criminal proceedings under sections 80B.01 to 80B.13. If referred to a county attorney, he shall within 90 days file with the commissioner a statement concerning any action taken or, if no action has been taken, the reasons therefor.

Subd. 3. Nothing in sections 80B.01 to 80B.13 limits the power of the state to punish any person for any conduct which constitutes a crime under any other statute.

*Subd. 4. All shares acquired from a Minnesota resident in violation of any provision of this chapter or any rule hereunder, or any order of the commissioner of which the person has notice, shall be denied voting rights for one year after acquisition, the shares shall be nontransferable on the books of the target company for one year after acquisition and the target company shall, during this one-year period, have the option to call the shares for redemption either at the price at which the shares were acquired or at book value per share as of the last day of the fiscal quarter ended prior to the date of the call for redemption. Such a redemption shall occur on the date set in the call notice but not later than 60 days after the call notice is given.*

Sec. 14. Minnesota Statutes 1982, section 302A.011, is amended by adding a subdivision to read:

*Subd. 37. [ACQUIRING PERSON.] "Acquiring person" means a person that is required to deliver an information statement under section 18.*

Sec. 15. Minnesota Statutes 1982, section 302A.011, is amended by adding a subdivision to read:

*Subd. 38. [CONTROL SHARE ACQUISITION.] "Control share acquisition" means an acquisition of shares of an issuing public corporation resulting in beneficial ownership by an acquiring person of a new range of voting power specified in section 18, subdivision 2, paragraph (d), but does not include any of the following:*

*(1) an acquisition before, or pursuant to an agreement entered into before, the effective date of this section;*

*(2) an acquisition by a donee pursuant to an inter vivos gift not made to avoid section 18 or by a distributee as defined in section 524.1-201, clause (10);*

(3) *an acquisition pursuant to a security agreement not created to avoid section 18;*

(4) *an acquisition under sections 302A.601 to 302A.661, if the issuing public corporation is a party to the transaction; or*

(5) *an acquisition from the issuing public corporation.*

Sec. 16. Minnesota Statutes 1982, section 302A.011, is amended by adding a subdivision to read:

*Subd. 39. [ISSUING PUBLIC CORPORATION.] "Issuing public corporation" means a corporation with at least 50 shareholders and having its principal place of business or substantial assets located in this state.*

Sec. 17. Minnesota Statutes 1982, section 302A.449, is amended by adding a subdivision to read:

*Subd. 7. [PROXY IN CONTROL SHARE ACQUISITION.] Notwithstanding any contrary provision of this chapter, a proxy relating to a meeting of shareholders required under section 18, subdivision 3, must be solicited separately from the offer to purchase or solicitation of an offer to sell shares of the issuing public corporation and must not be solicited sooner than 30 days before the meeting unless otherwise agreed in writing by the acquiring person and the issuing public corporation.*

Sec. 18. [302A.671] [CONTROL SHARE ACQUISITIONS.]

*Subdivision 1. [AUTHORIZATION IN ARTICLES.] (a) Unless otherwise expressly provided in the articles of an issuing public corporation, this section applies to a control share acquisition.*

*(b) All shares acquired by an acquiring person in violation of subdivision 4 shall be denied voting rights for one year after acquisition, the shares shall be nontransferable on the books of the corporation for one year after acquisition and the corporation shall, during the one-year period, have the option to call the shares for redemption either at the price at which the shares were acquired or at book value per share as of the last day of the fiscal quarter ended prior to the date of the call for redemption. Such a redemption shall occur on the date set in the call notice but not later than 60 days after the call notice is given.*

*Subd. 2. [INFORMATION STATEMENT.] A person proposing to make a control share acquisition shall deliver to the issuing public corporation at its principal executive office an information statement containing all of the following:*

- (a) *the identity of the person;*
- (b) *a reference that the statement is made under this section;*
- (c) *the number of shares of the issuing public corporation beneficially owned by the person;*
- (d) *a specification of which of the following ranges of voting power in the election of directors would result from consummation of the control share acquisition:*
  - (1) *at least ten percent but less than 20 percent;*
  - (2) *at least 20 percent but less than 30 percent;*
  - (3) *at least 30 percent but less than 40 percent;*
  - (4) *at least 40 percent but less than a majority;*
  - (5) *at least a majority; and*

(e) *the terms of the proposed control share acquisition, including, but not limited to, the source of funds or other consideration and the material terms of the financial arrangements for the control share acquisition, any plans or proposals of the acquiring person to liquidate the issuing public corporation, to sell all or substantially all of its assets, or merge it or exchange its shares with any other person, to change the location of its principal executive office or of a material portion of its business activities, to change materially its management or policies of employment, to alter materially its relationship with suppliers or customers or the communities in which it operates, or make any other material change in its business, corporate structure, management or personnel, and such other information which would affect the decision of a shareholder with respect to voting on the proposed control share acquisition.*

Subd. 3. [MEETING OF SHAREHOLDERS.] *Within five days after receipt of an information statement pursuant to subdivision 2, a special meeting of the shareholders of the issuing public corporation shall be called pursuant to section 302A.433, subdivision 1, to vote on the proposed control share acquisition. The meeting shall be held no later than 55 days after receipt of the information statement, unless the acquiring person agrees to a later date, and no sooner than 30 days after receipt of the information statement, if the acquiring person so requests in writing when delivering the information statement. The notice of the meeting shall at a minimum be accompanied by a copy of the information statement and a statement disclosing that the issuing public company recommends acceptance of, expresses no*

*opinion and is remaining neutral toward, or is unable to take a position with respect to the proposed control share acquisition. The notice of meeting shall be given within 25 days after receipt of the information statement.*

*Subd. 4. [CONSUMMATION OF CONTROL SHARE ACQUISITION.] (a) The acquiring person may consummate the proposed control share acquisition if and only if both of the following occur:*

*(1) the proposed control share acquisition is approved by the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote which are not beneficially owned by the acquiring person. A class or series of shares of the corporation is entitled to vote as a class or series if any provision of the control share acquisition would, if contained in a proposed amendment to the articles, entitle the class or series to vote as a class or series; and*

*(2) the proposed control share acquisition is consummated within 180 days after shareholder approval.*

Sec. 19. [REPEALER.]

*Minnesota Statutes 1982, sections 80B.02; 80B.03, subdivisions 3 and 4; and 80B.12, subdivisions 1 and 3, are repealed."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1423, A bill for an act relating to motor vehicles; providing licensing and bonding requirements for horse trailer dealers; amending Minnesota Statutes 1982, section 168.27, subdivisions 22 and 24.

Reported the same back with the following amendments:

Page 1, line 17, strike "\$10" and insert "\$20"

Page 1, line 21, strike "\$10" and insert "\$20".

Page 1, line 23, strike "\$3" and insert "\$5"

Page 1, line 25, strike everything after the period

Page 2, strike line 1

Page 2, line 2, delete the new language and strike the old language

Page 2, strike line 3

Page 2, after line 9, insert:

*"For purposes of this section, a "horse trailer" is a trailer designed and used to carry horses and other livestock, with not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds."*

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. 1502, A bill for an act relating to children; providing special foster care and adoption procedures for Indian children; proposing new law coded in Minnesota Statutes, chapter 257.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1545, A bill for an act relating to traffic regulations; requiring school buses purchased after January 1, 1985, to have a seat belt for each permanent seat; amending Minnesota Statutes 1982, sections 169.44, subdivision 9; and 169.685, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TASK FORCE CREATED; MEMBERSHIP.]

*A school bus safety task force is created, to consist of:*

- (1) the commissioner of education or his designee;*
- (2) the commissioner of public safety or his designee;*

- (3) *a representative of the Minnesota safety council;*
- (4) *a representative of the Minnesota school boards association;*
- (5) *two persons representative of parents whose children ride regularly in school buses, to be appointed by the governor;*
- (6) *one person representative of children who ride regularly in school buses, to be appointed by the governor;*
- (7) *a representative of school administrators responsible for pupil transportation;*
- (8) *two representatives of private companies operating school buses;*
- (9) *one school bus driver;*
- (10) *three members of the house of representatives, appointed by the speaker of the house; and*
- (11) *three members of the senate, appointed by the senate committee on committees.*

*The task force shall select from its membership a chairperson and other officers it deems necessary.*

## Sec. 2. [DUTIES.]

*The task force shall make a comprehensive study of the question of the safety of school buses and school bus transportation in Minnesota. The study shall include the following issues:*

- (1) *equipment and other safety features of school bus design, including seat belts, surface padding and compartmentalization;*
- (2) *proposals for mandatory installation and use of seat belts in school buses;*
- (3) *the relative population of school buses which are and are not subject to federal requirements for safety features;*
- (4) *the qualifications, training, examination, and licensing of school bus drivers;*
- (5) *the adequacy of school bus maintenance;*



(6) *current requirements and practices as to school bus hauling distances;*

(7) *safety aspects of school bus pickup points; and*

(8) *the instruction and education given to school children as to school bus boarding and departing procedures.*

Sec. 3. [REPORT.]

*The task force shall report to the governor and the legislature on its findings and recommendations not later than August 1, 1985 after which date the task force must cease to function.*

Sec. 4. [ASSISTANCE.]

*The commissioners of public safety and education shall cooperate with the task force in its activities and shall provide assistance, including staff assistance, as needed.*

Sec. 5. [EXPENSES.]

*The compensation of nonlegislator members, their removal from office and the filling of vacancies is as provided in section 15.059, subdivisions 3 and 4. Members who are legislators shall be compensated in the same manner as for other legislative meetings.*

Sec. 6. [APPROPRIATION.]

*There is appropriated from the general fund the sum of \$7,000, or so much thereof as is necessary, to the legislative coordinating commission to pay compensation of nonlegislator members of the task force. This appropriation is available until August 1, 1985.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective the day following final enactment and expire August 1, 1985."*

Delete the title and insert:

*"A bill for an act relating to school buses; creating a school bus safety task force; 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.

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

H. F. No. 1619, A bill for an act relating to state government; providing for the addition of a member, 60 years of age or over, to serve as a representative of the older population on certain state boards, commissions, advisory councils, task forces, or committees; proposing new law coded in Minnesota Statutes, chapter 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [15.0591] [REPRESENTATIVE OF OLDER POPULATION.]

*Subdivision 1. [ADDITION OF MEMBERS.] The membership of state boards, commissions, advisory councils, task forces, or committees listed in subdivision 2 shall include at least one member, 60 years of age or over. At least one of the members over 60 shall not be actively engaged in or retired from an occupation, profession, or industry, if any, to be regulated.*

*Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 shall be appointed to the following boards, commissions, advisory councils, task forces, or committees:*

- (1) advisory council on battered women;*
- (2) advisory task force on the use of state facilities;*
- (3) alcohol and other drug abuse advisory council;*
- (4) board for community colleges;*
- (5) board of examiners for nursing home administrators;*
- (6) board on aging;*
- (7) cable communications board;*
- (8) chiropractic examiners board;*
- (9) consumer advisory council on vocational rehabilitation;*
- (10) council for the handicapped;*
- (11) council on affairs of Spanish-speaking people;*

- (12) *council on black Minnesotans;*
- (13) *dentistry board;*
- (14) *department of economic security advisory council;*
- (15) *higher education coordinating board;*
- (16) *housing finance agency;*
- (17) *Indian advisory council on chemical dependency;*
- (18) *medical examiners board;*
- (19) *medical policy directional task force on mental health;*
- (20) *metropolitan transit commission;*
- (21) *Minnesota emergency employment development task force;*
- (22) *Minnesota office of volunteer services advisory committee;*
- (23) *Minnesota state arts board;*
- (24) *mortuary sciences advisory council;*
- (25) *nursing board;*
- (26) *optometry board;*
- (27) *pharmacy board;*
- (28) *physical therapists council;*
- (29) *podiatry board;*
- (30) *psychology board;*
- (31) *public utilities commission; and*
- (32) *veterans advisory committee.*

Sec. 2. [TEMPORARY.]

*If a group listed in section 1, subdivision 2 does not have a member who meets the qualifications in section 1, subdivision 1,*

*on the effective date of section 1, such a member shall be appointed when a vacancy occurs. Section 1 does not require the immediate displacement of current members of the groups listed in subdivision 2."*

Amend the title as follows:

Page 1, line 2, delete "the"

Page 1, line 3, delete "addition of"

Page 1, line 4, delete "as a representative of the older population"

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. 1656, A bill for an act relating to commerce; motor fuel franchises; providing for a temporary prohibition on certain building alterations that eliminate service bays.

Reported the same back with the following amendments:

Page 2, line 8, delete "3" and insert "2"

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. 1672, A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1679, A bill for an act relating to workers' compensation; providing coverage for certain employees of the University of Minnesota; amending Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9.

Reported the same back with the following amendments:

Page 4, line 35, delete "*or reasonable*"

Page 4, line 36, delete "*assurance of a contract*"

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. 1704, A bill for an act relating to local government aids; amending the distribution formula; amending Minnesota Statutes 1983 Supplement, section 477A.0131, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

*Subd. 12. [MILL RATE FACTOR.] "Mill rate factor" means a municipality's population multiplied by its average equalized municipal mill rate.*

Sec. 2. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

*Subd. 13. [ASSESSED VALUE FACTOR.] "Assessed value factor" means a municipality's population multiplied by the ratio of the statewide average equalized assessed value per capita to the municipality's equalized assessed value per capita. The statewide average equalized assessed value per capita is obtained by dividing the total equalized assessed value of all cities in the state by the total population of all cities in the state.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 477A.012, is amended to read:

## 477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government shall receive a distribution equal to (60 PERCENT OF THE) *its* aid amount certified for 1983 pursuant to sections 477A.011 to 477A.03. *A county containing a city of the first class shall receive a distribution equal to \$2 per capita in calendar year 1985 and subsequent years.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 477A.-013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In each calendar year, each town which (HAS AN AVERAGE EQUALIZED MILL RATE OF AT LEAST TWO MILLS) *had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town* shall receive a distribution equal to 50 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.

Sec. 5. Minnesota Statutes 1983 Supplement, section 477A.-013, subdivision 2, is amended to read:

Subd. 2. [CITIES (AND TOWNS).] In each calendar year, (EACH) *the total local government aid appropriation for cities determined pursuant to section 477A.03 shall be apportioned among all statutory and home rule charter (CITY) cities as follows: (SHALL RECEIVE A DISTRIBUTION EQUAL TO THE AMOUNT OBTAINED BY SUBTRACTING TEN MILLS MULTIPLIED BY THE MUNICIPALITY'S EQUALIZED ASSESSED VALUE FROM THE ADJUSTED LOCAL REVENUE BASE.)*

(AN AID AMOUNT SHALL BE COMPUTED IN THE SAME MANNER FOR ALL TOWNS WHICH HAVE AN AVERAGE EQUALIZED MILL RATE OF AT LEAST TWO MILLS. A TOWN'S FINAL AID AMOUNT SHALL BE DETERMINED BY EITHER THE SUBDIVISION 1 OR THE SUBDIVISION 2 CALCULATION, WHICHEVER IS GREATER.)

(a) *Each city of the first class shall receive an apportionment equal to its previous year aid;*

(b) *One-half of the allocation for cities other than cities of the first class shall be apportioned in proportion to the ratio of each city's mill rate factor to the sum of the mill rate factors of all cities in the state other than cities of the first class;*

(c) *One-half of the allocation for cities other than cities of the first class shall be apportioned in proportion to the ratio*

*of each city's assessed value factor to the sum of the assessed value factors of all cities in the state other than cities of the first class.*

Sec. 6. Minnesota Statutes 1982, section 477A.013, is amended by adding a subdivision to read:

*Subd. 2a. [PHASE-IN.] For the calendar year 1985 aid distribution, each city's previous year aid shall be subtracted from its total allocation pursuant to subdivision 2. The resulting amount shall be divided by three. Notwithstanding the provisions of subdivision 2, each city's 1985 aid distribution shall be obtained by adding the amount resulting from this calculation to the city's previous year aid, when the result is positive, or subtracting the amount from the city's previous year aid, when the result is negative. If the result of this calculation for a city yields an aid amount greater than \$140 per capita, the amount shall be reduced to the level of its previous year aid or \$140 per capita, whichever is greater.*

*The commissioner of revenue shall determine the amounts to be allocated pursuant to subdivision 2, clauses (b) and (c) in such a manner as to entirely distribute the sum appropriated for cities pursuant to section 477A.03, subdivision 2.*

Sec. 7. Minnesota Statutes 1983 Supplement, section 477A.03, subdivision 2, is amended to read:

**Subd. 2. [LIMITATION ON APPROPRIATION (; PROPORTIONATE REDUCTION).]** The amount appropriated under subdivision 1 for (DISTRIBUTIONS TO TOWNS PURSUANT TO SECTION 477A.013 SHALL NOT EXCEED \$8,750,000 AND THE AMOUNT APPROPRIATED FOR) distribution to cities pursuant to section 477A.013 shall not exceed (\$246,200,000) \$264,900,000 for calendar year (1984) 1985. (IF THE LIMITATIONS CONTAINED IN THIS SUBDIVISION RESULT IN A REDUCTION IN THE AMOUNTS DETERMINED PURSUANT TO SECTION 477A.013, SUBDIVISION 2, EACH CITY RECEIVING LOCAL GOVERNMENT AID SHALL HAVE ITS DISTRIBUTION REDUCED IN PROPORTION TO THE AMOUNTS DETERMINED PURSUANT TO SECTION 477A.013, SUBDIVISION 2, BEFORE THE LIMITATION OF SECTION 477A.013, SUBDIVISION 3, IS TAKEN INTO ACCOUNT. IF THE LIMITATIONS CONTAINED IN THIS SUBDIVISION RESULT IN A REDUCTION IN THE AMOUNTS DETERMINED PURSUANT TO SECTION 477A.013, SUBDIVISION 1, EACH TOWN RECEIVING LOCAL GOVERNMENT AID SHALL HAVE ITS DISTRIBUTION REDUCED IN PROPORTION TO THE AMOUNTS DETERMINED PURSUANT TO SECTION 477A.013, SUBDIVISION 1 OR 2, BEFORE THE LIMITATION OF SECTION 477A.013, SUBDIVISION 3, IS TAKEN INTO ACCOUNT.)

## Sec 8. [REPEALER.]

*Minnesota Statutes 1983 Supplement, sections 477A.013, subdivision 3; and 477A.0131 are repealed.*

## Sec. 9. [EFFECTIVE DATE.]

*Sections 4 and 7 are effective the day following final enactment for determination of aids to be paid in 1984 and subsequent years. Notwithstanding section 477A.014, subdivision 1, the commissioner shall notify towns affected by the provisions of section 4 of their revised aid amounts and the computational factors used in making the calculations for their aids as soon as practicable. Sections 1, 2, 3, 5, 6, and 8 are effective commencing with the calendar year 1985 aid distribution."*

Amend the title as follows:

Page 1, line 3, delete "1983"

Page 1, delete line 4 and insert "1982, sections 477A.011, by adding subdivisions; and 477A.013, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 477A.012; 477A.013, subdivisions 1 and 2; and 477A.03, subdivision 2; repealing Minnesota Statutes 1983 Supplement, sections 477A.013, subdivision 3; and 477A.0131."

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. 1709, A bill for an act relating to state government; specifying powers and duties of the commissioner of the department of energy and economic development; providing services for small businesses; amending Minnesota Statutes 1982, sections 116J.67, subdivision 8; 116J.68; Minnesota Statutes 1983 Supplement, sections 116J.10; 116J.61; proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 6, after line 36, insert:

*"(c) serve as an advocate for small businesses through the presentation of small business issues and concerns in the development and operation of laws, rules, policies, and procedures of state agencies;"*



Page 7, line 1, strike "(c)" and insert "(d)"

Page 7, line 10, strike "(d)" and insert "(e)"

Page 7, line 15, strike "(e)" and insert "(f)"

Page 7, line 23, strike "(f)" and insert "(g)"

Page 7, line 32, delete "(g)" and insert "(h)"

Page 8, line 3, delete "(h)" and insert "(i)"

Page 8, line 8, delete "(i)" and insert "(j)"

Page 8, line 10, delete "(j)" and insert "(k)"

Page 8, line 12, delete "(k)" and insert "(l)"

Page 8, line 15, delete "(l)" and insert "(m)"

Page 8, line 20, delete "(m)" and insert "(n)"

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. 1749, A bill for an act relating to game and fish; exempting hunters on licensed game farms in the northern portion of the state from the requirement of a pheasant stamp; amending Minnesota Statutes 1983 Supplement, section 97.4843, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 14, delete "game farms" and insert "shooting preserves"

Amend the title as follows:

Page 1, line 3, delete "game farms" and insert "shooting preserves"

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. 1753, A bill for an act relating to the city of St. Cloud; giving the city the powers of a port authority.

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. 1765, A bill for an act relating to economic development; establishing the Minnesota Business Advisory Task Force; proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 24, delete "*four*" and insert "*eight*"

Page 1, line 25, delete "*two*" and insert "*six*"

Page 2, line 6, after the semicolon insert "*and*"

Page 2, line 8, delete " ; *and*" and insert a period

Page 2, delete line 9

With the recommendation that when so amended the bill pass.

The report was adopted.

Beigich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1767, A bill for an act relating to workers' compensation; clarifying the law concerning ridesharing; providing for miscellaneous changes in the workers' compensation process; amending Minnesota Statutes 1982, sections 176.061, by adding subdivisions; 176.221, by adding a subdivision; 176.231, subdivision 1; 176.241, subdivision 1, and by adding a subdivision; 176.351, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 176.041, subdivision 1; 176.051, subdivisions 2 and 3; 176.101, subdivision 3t; 176.103, subdivision 2, and by adding a subdivision; 176.129, subdivisions 3, 4, and by adding

a subdivision; 176.221, subdivisions 1 and 3; 176.231, subdivision 9; 176.241, subdivision 2; 176.242, subdivisions 1, 2, 3, and 8; 176.421, subdivision 7; 176.442; and 176.66, subdivision 11; repealing Minnesota Statutes 1983 Supplement, sections 176.051, subdivision 4; and 176.129, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## “ARTICLE 1

### RIDESHARING

#### Section 1. [INTENT.]

*The legislature finds that certain provisions enacted in 1983 relating to workers' compensation coverage of injuries or damages incurred while participating in ridesharing arrangements have created confusion among employers, employees, insurance carriers, and the public because of their ambiguous nature and their uncertain effect on the underlying premises of employer liability and workers' compensation law. The legislature also finds that the provisions have not had the intended effect of encouraging employers to promote ridesharing arrangements, but that they have had the opposite effect instead. While the provisions that were enacted were not intended to increase the scope of employer liability for travel by employees to and from work, it is feared that that interpretation may someday be given to the provisions. Therefore, the legislature seeks to clarify the meaning of those provisions and, by repealing them, to underscore its intent that the underlying law of employer liability and workers' compensation regarding employee travel to and from work is unaltered by the provisions enacted in 1983.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the rein-

surance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of *finance* may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association are not subject to chapters 13, 14, and 15. The reinsurance association is exempt from taxation under the laws of this state and all property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 3. Minnesota Statutes 1983 Supplement, section 176.-041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law; to a person employed by a family farm as defined by section 176.011, subdivision 11a, or the spouse, parent, and child, regardless of age, of a farmer-employer working for the

farmer-employer; to a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business; to an executive officer of a family farm corporation; to an executive officer of a closely held corporation referred to in section 176.012; to a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation; to a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; to another farmer or to a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community; to a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer; persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor; nor does this chapter apply to an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member.

Neither does the chapter apply to a person employed as a household worker in, for, or about a private home or household who earns less than \$500 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$500 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$500 in the present quarter.

This chapter does not apply to those persons employed by a corporation if those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to the officers of the corporation, and if the corporation files a written election with the commissioner to have those persons excluded from this chapter except that a written election is not required for a person who is otherwise excluded from this chapter by this section.

This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

*This chapter does not apply to persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et seq.*

**(THIS CHAPTER DOES NOT APPLY TO EMPLOYEES INJURED WHILE PARTICIPATING IN A RIDESHARING**

ARRANGEMENT AS DEFINED IN SECTION 169.01, SUBDIVISION 63, BETWEEN THE EMPLOYEE'S RESIDENCE AND PLACE OF EMPLOYMENT OR TERMINUS NEAR THE PLACE OF EMPLOYMENT. THIS CHAPTER DOES APPLY IF THE EMPLOYER ELECTS TO ASSUME LIABILITY COVERAGE UNDER THIS CHAPTER FOR PERSONS INJURED WHILE PARTICIPATING IN RIDESHARING ARRANGEMENTS AS OUTLINED IN SECTION 176.051, SUBDIVISION 3.)

Sec. 4. [REPEALER.]

*Minnesota Statutes 1983 Supplement, section 176.051, subdivisions 2, 3, and 4 are repealed.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective retroactively to June 10, 1983, except for the provision in section 3 regarding coverage of persons under United States Code, title 42, sections 5011, et seq., which is effective the day following final enactment.*

## ARTICLE 2

### MISCELLANEOUS CHANGES

Section 1. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3a, is amended to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66-2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

Percent of disability	Weeks of compensation
0-25	600
26-30	640
31-35	680
36-40	720

41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision (SHALL APPLY) *applies* to (A PERMANENT PARTIAL DISABILITY INCURRED) *an injury which occurs* on or after (THE ADOPTION OF THOSE RULES) *January 1, 1984.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3b, is amended to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

Percent of disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000

56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision (SHALL APPLY) *applies* to (A PERMANENT PARTIAL DISABILITY INCURRED) *an injury which occurs on or after* (THE ADOPTION OF THOSE RULES) *January 1, 1984.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3e, is amended to read :

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this chapter.

(b) If (DURING) *at any time prior to the end of the 90-day* period described in clause (a) the employee retires or the employer furnishes work to the employee that is consistent with an approved plan of rehabilitation or, if no plan has been approved, that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease and the employee shall, if appropriate, receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery



compensation and impairment compensation. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided by this section.

(c) Upon receipt of a written medical report indicating that the employee has reached maximum medical improvement, the employer or insurer shall serve a copy of the report upon the employee and shall file a copy with the division. The beginning of the 90-day period shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made. *A job offer may be made before the employee reaches maximum medical improvement.*

((C)) (d) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immediately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences.

((D)) (e) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be offered in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer. *Where there is an administrative conference to determine suitability under section 176.242, the period begins to run on the date of the commissioner's decision.*

((E)) (f) Self-employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 4. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3g, is amended to read:

Subd. 3g. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and the employee begins work at that job, although not necessarily within the 90-day period specified in that subdivision, the impairment compensation shall be paid in a lump sum 30 calendar days after the employee actually commences work *if the employ-*

*ment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at that job at the end of the period.*

Sec. 5. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3i, is amended to read:

Subd. 3i. [LAY OFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed *at that job* because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and in the same amount as when temporary total compensation ceased.

(c) *Compensation under this subdivision shall not be escalated pursuant to section 176.645.*

((C)) (d) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

((D)) (e) Upon the employee's return to work pursuant to this section the insurer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 6. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3j, is amended to read:

Subd. 3j. [MEDICALLY UNABLE TO CONTINUE WORK.]

(a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job because of the (PERMANENT PARTIAL DISABILITY) *injury*, that employee shall receive temporary total compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Temporary total compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e or 3f. If no job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section but reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 7. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 31, is amended to read:

Subd. 31. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was initially paid. *This compensation shall not be escalated pursuant to section 176.645.* Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable for that injury. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 8. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3m, is amended to read:

Subd. 3m. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work *if the employment has not*

*been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at that job at the end of the period.*

Sec. 9. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3o, is amended to read:

Subd. 3o. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation as determined pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation (IS) *was initially* paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving periodic economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against future permanent total compensation for the compensation paid *and no permanent total weekly compensation is payable for any period during which economic recovery compensation has already been paid.* No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) An employee who has received periodic economic recovery compensation and who meets the criteria under clause (b) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation for that disability.

(d) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 10. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3q, is amended to read:

Subd. 3q. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the same intervals and in the same amount as temporary total compensation *was initially* paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compen-

sation due shall be paid in a lump sum 30 days after the employee has returned to work *if the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at that job at the end of the period.*

(b) Periodic economic recovery compensation paid to the employee shall not be adjusted pursuant to section 176.645.

Sec. 11. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3r, is amended to read:

Subd. 3r. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the periodic economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the last child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) *If the deceased employee leaves a dependent child, as defined by section 176.111, and no dependent spouse, the periodic economic recovery or impairment compensation shall continue to be paid to the child until the child is no longer dependent or until the amount to which the employee was entitled to receive is exhausted, whichever is later.*

(d) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision (3,) 3a (,) or 3b (,) is reached prior to the end of the ten-year period *except as provided in clause (c).* If the deceased employee is not survived by dependent children or a dependent spouse as defined in section 176.111, no further economic recovery compensation or impairment compensation is payable to any person (UNDER THIS SUBDIVISION).

((D)) (e) If the death results from the injury, the payment of economic recovery compensation or impairment compen-

sation shall cease upon the death and *in lieu thereof* death benefits are payable pursuant to section 176.111.

Sec. 12. Minnesota Statutes 1983 Supplement, section 176.101, subdivision 3t, is amended to read:

Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) *Where an employee (WHO) has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability and the employee is unable to return to his former employment for medical reasons attributable to the injury, the employee shall receive 26 weeks of economic recovery compensation (IF NO JOB IS OFFERED WITHIN THE TIME SPECIFIED IN AND MEETING THE CRITERIA OF SUBDIVISION 3E). This paragraph shall not be used to determine monitoring period compensation under subdivision 3i and shall not be a minimum for determining the amount of compensation when an employee has suffered a permanent partial disability.*

Sec. 13. Minnesota Statutes 1983 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of five members designated by the review panel. Each five-member panel shall consist of (TWO) *at least one* labor (MEMBERS, TWO) member, *at least one* employer or insurer (MEMBERS) member, and *at least one* member representing medicine, chiropractic, or rehabilitation. *The number of labor members and employer or insurer members on the five-member panel shall be equal.* The determination of the five-member panel shall be by a majority vote and shall represent the determination of the entire review panel and is not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel

shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision. *The panel may adopt rules of procedure which may be joint rules with the medical services review board.*

Sec. 14. Minnesota Statutes 1983 Supplement, section 176.-102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books (AND), travel, *and custodial daycare*; and, in addition, reasonable costs of board (,) *and lodging* (AND CUSTODIAL DAYCARE) when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel and custodial daycare during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) Any other expense agreed to be paid.

Sec. 15. Minnesota Statutes 1983 Supplement, section 176.-103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six (MEDICAL PRACTITIONERS) *physicians* representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing em-

ployees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board shall appoint from among its clinical members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom shall be a member who is not a chiropractor or licensed physician.

The clinical quality subcommittee shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to sub-



division 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the full board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

(d) *The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.*

Sec. 16. Minnesota Statutes 1983 Supplement, section 176.103, is amended by adding a subdivision to read:

*Subd. 4. [ADVISORY COUNCIL.] The commissioner shall appoint an advisory council to the medical services review board. The council shall consist of health professionals other than physicians or chiropractors who are involved in the clinical care of injured workers receiving compensation under this chapter, including but not limited to physical therapists, nurses, qualified rehabilitation consultants, psychologists, dentists, and vocational rehabilitation consultants. The terms, compensation, and removal of members, and the expiration date of the council is governed by section 15.059.*

Sec. 17. Minnesota Statutes 1983 Supplement, section 176.104, subdivision 1, is amended to read:

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation *if appropriate*. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be (APPROVED, REJECTED, OR MODIFIED) *monitored* by the commissioner.

Sec. 18. Minnesota Statutes 1983 Supplement, section 176.104, subdivision 2, is amended to read:

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided (AND APPROVED BY THE COMMISSIONER). Future rehabilitation after liability is established is governed by section 176.102.

Sec. 19. [176.1041] [CERTIFICATION FOR FEDERAL TAX CREDIT.]

*Subdivision 1. [CERTIFICATION PROGRAM.] The division of vocational rehabilitation shall establish a program authorizing qualified rehabilitation consultants and approved vendors to refer an employee to the division for the sole purpose of federal targeted jobs tax credit eligibility determination. The division shall set forth the specific requirements, procedures and eligibility criteria for purposes of this section. The division shall not be required to certify an injured employee who does not meet the eligibility requirements set forth in the federal Rehabilitation Act of 1973, as amended.*

*Subd. 2. [FEE.] The division is authorized to collect a fee from the qualified rehabilitation consultant or approved vendor in the amount necessary to determine eligibility and to certify an employee for this program.*

Sec. 20. Minnesota Statutes 1983 Supplement, section 176.129, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under sections 176.101 or 176.111 the employer shall pay to the commissioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall (REMAIN CONSTANT) *be adjusted as provided under subdivision 4a and applies to injuries occurring after June 1, 1971, (AND PRIOR TO JANUARY 1, 1984,) for payments made on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.*

Sec. 21. Minnesota Statutes 1983 Supplement, section 176.129, subdivision 4, is amended to read:

Subd. 4. [TIME OF INJURY.] Subdivision 3 applies to all workers' compensation payments, *exclusive of medical costs*, paid under (SECTIONS) section 176.101 (, 176.102,) or 176.111 (, OR 176.135,) for an injury or death occurring on or after June 1, 1971 (, BUT BEFORE JANUARY 1, 1984).

Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.

Sec. 22. Minnesota Statutes 1983 Supplement, section 176.129, is amended by adding a subdivision to read:

Subd. 4a. [CONTRIBUTION RATE ADJUSTMENT.] *In determining the rate of adjustment as provided by subdivision 3, the commissioner shall determine the revenues received less claims received for the preceding 12 months ending June 30, 1984, and each June 30 thereafter.*

<i>If the result is:</i>	<i>the range of adjustment is:</i>
<i>over \$15,000,000</i>	<i>-10% to 0%</i>
<i>less than \$15,000,000 but more than \$10,000,000</i>	<i>-7% to +3%</i>
<i>less than \$10,000,000 but more than \$5,000,000</i>	<i>-5% to +5%</i>
<i>less than \$5,000,000 but more than \$0</i>	<i>-3% to +7%</i>
<i>\$0 but less than a \$5,000,000 deficit</i>	<i>0% to +10%</i>
<i>more than a \$5,000,000 deficit</i>	<i>+5% to +12%</i>

*The adjustment under this subdivision shall be used for assessments for calendar year 1984 and each year thereafter.*

*An amount assessed pursuant to this section is payable to the commissioner within 45 days of mailing notice of the amount due unless the commissioner orders otherwise.*

Sec. 23. Minnesota Statutes 1983 Supplement, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treat-

ment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of (HIS) *the employer's* inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of the commissioner (OR) *with respect to this subdivision may be reviewed by the medical services review board pursuant to section 176.103. Orders of the medical services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party (OR) pursuant to section 176.103. Orders of the court of appeals may be reviewed by writ of certiorari to the supreme court.*

Sec. 24. Minnesota Statutes 1982, section 176.135, is amended by adding a subdivision to read:

*Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed.*

Sec. 25. Minnesota Statutes 1983 Supplement, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases

of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested by the requester.

Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. *This section applies only to written medical data which exists at the time the request is made.*

Sec. 26. Minnesota Statutes 1983 Supplement, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. *As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages.* An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 27. Minnesota Statutes 1983 Supplement, section 176.221, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. *Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may*

*file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer (MAY HAVE) has on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within 30 days of notice or knowledge. After the 30-day period, payment may be terminated only by the filing of a notice as provided under section 176.242. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

Sec. 28. Minnesota Statutes 1983 Supplement, section 176-221, subdivision 3, is amended to read:

Subd. 3. [(PAYMENTS TO SPECIAL COMPENSATION FUND) PENALTY.] (WHERE AN) *If the employer or insurer (FAILS TO) does not begin payment of compensation (PURSUANT TO SUBDIVISION 1, OR TO FILE A DENIAL OF LIABILITY) within the (14-DAY PERIOD REFERRED TO IN) time limit prescribed under subdivision 1 or 8, (IT SHALL PAY) the commissioner may assess a penalty, payable to the special compensation fund (AN AMOUNT EQUAL TO THE TOTAL), of up to 100 percent of the amount of compensation to which the employee is entitled because of the injury to receive up to the date compensation payment is made to the employee in addition to any other penalty otherwise provided by statute. This penalty may also be imposed on an employer or insurer who violates section 176.242 or 176.243 including, but not limited to, violating the commissioner's decision not to discontinue compensation.*

Sec. 29. Minnesota Statutes 1983 Supplement, section 176.221, is amended by adding a subdivision to read:

*Subd. 3a. [PENALTY.] In lieu of any other penalty under this section, the commissioner may assess a penalty of up to \$1,000 for each instance in which an employer or insurer does not pay benefits or file a notice of denial of liability within the time limits prescribed under this section.*

Sec. 30. Minnesota Statutes 1982, section 176.231, subdivision 1, is amended to read:

Subdivision 1. [TIME LIMITATION.] Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner (OF LABOR AND INDUSTRY) and insurer within 48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for *more than three calendar days* or longer, the employer shall report the injury to the (COMMISSIONER OF LABOR AND INDUSTRY AND) insurer *on a form prescribed by the commissioner* within (15) *ten* days from its occurrence. *A self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence.* Where an injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner (OF LABOR AND INDUSTRY) and insurer within 48 hours after (HE) *the employer* receives notice of this fact.

Sec. 31. Minnesota Statutes 1983 Supplement, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics. These reports are available to the department of revenue for use in enforcing Minnesota income tax and property tax refund laws, and the information shall be protected as provided in section 290.61 or 290A.17.

The division or office of administrative hearings or workers' compensation court of appeals may permit (AN ATTORNEY AT LAW WHO REPRESENTS AN) *the examination of its file by the employer, insurer, (OR AN) employee, or (A) dependent (TO EXAMINE ITS FILE IN A COMPENSATION CASE IF THE ATTORNEY) of a deceased employee or any person who furnishes written authorization to do so from the (ATTORNEY'S CLIENT) employer, insurer, employee, or dependent of a deceased employee.* Reports filed under this section and other information the commissioner has regarding injuries

or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 32. Minnesota Statutes 1982, section 176.241, subdivision 1, is amended to read:

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] *Subject to sections 176.242 and 176.243,* where an employee claims that the right to compensation continues, the employer may not discontinue payment of compensation until (HE) *the employer* provides the employee with notice in writing of his intention to do so, *on a form prescribed by the commissioner,* together with a statement of facts clearly indicating the reasons for the discontinuance. A copy of the notice shall be provided to the division by the employer.

The notice to the employee and the copy to the division shall state the date of intended discontinuance and the reason for the action. The notice to the employee and the copy to the division shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Sec. 33. Minnesota Statutes 1983 Supplement, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except when the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended (PENDING AN INVESTIGATION HEARING, AND DETERMINATION OF THE MATTER BY THE DIVISION OR COMPENSATION JUDGE), *except as provided in the following subdivisions and in sections 176.242 and 176.243.*

Sec. 34. Minnesota Statutes 1982, section 176.241, subdivision 3, is amended to read:

Subd. 3. [COPY OF NOTICE TO EMPLOYEE (, INVESTIGATION, HEARING).] When the employer has reason to believe compensation may be terminated within the requirements of this chapter, notice shall be given to the employee informing the employee of (HIS) *the employee's* right to object to the discontinuance pursuant to sections 176.242 and 176.243 and provid-



ing instructions as to how to contact the employer (OR), insurer, and commissioner regarding the discontinuance and the procedures related to initiation of a claim. (THE COMMISSIONER SHALL MAKE AN INVESTIGATION TO DETERMINE WHETHER THE RIGHT TO COMPENSATION HAS TERMINATED. IF IT APPEARS FROM THE INVESTIGATION THAT THE RIGHT TO COMPENSATION MAY NOT HAVE TERMINATED, THE COMMISSIONER SHALL REFER THE MATTER TO THE CHIEF HEARING EXAMINER IN ORDER THAT A HEARING BEFORE A COMPENSATION JUDGE MAY BE SCHEDULED, TO DETERMINE THE RIGHT OF THE EMPLOYEE, OR HIS DEPENDENT, TO FURTHER COMPENSATION.)

(THE HEARING SHALL BE HELD WITHIN A REASONABLE TIME AFTER THE DIVISION HAS RECEIVED THE NOTICE OF DISCONTINUANCE. THE COMPENSATION JUDGE SHALL GIVE EIGHT DAYS NOTICE OF THE HEARING TO INTERESTED PARTIES.)

Sec. 35. Minnesota Statutes 1982, section 176.241, is amended by adding a subdivision to read:

*Subd. 3a. [OBJECTION TO DISCONTINUANCE.] If the employee is aggrieved by the commissioner's decision under section 176.242 or 176.243 or the employee has not timely proceeded under either of those sections, or the discontinuance is not governed by those sections, the employee may file an objection to discontinuance with the commissioner. The commissioner shall refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled to determine the right of the employee, or the employee's dependent, to further compensation.*

*The hearing shall be a de novo hearing and shall be held within a reasonable time after the chief hearing examiner has received the notice of the objection to discontinuance.*

Sec. 36. Minnesota Statutes 1982, section 176.241, is amended by adding a subdivision to read:

*Subd. 3b. [PETITION TO DISCONTINUE.] Pursuant to section 176.242, subdivision 5, an employer or insurer may file a petition to discontinue benefits with the commissioner. The commissioner shall refer the matter to the chief hearing examiner in order that a hearing on the petition be held before a compensation judge. This hearing shall be a de novo hearing. The employer or insurer shall continue payment of compensation until the filing of the decision of the compensation judge and thereafter as the compensation judge, court of appeals, or supreme court directs.*

Sec. 37. Minnesota Statutes 1983 Supplement, section 176.242, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] If an employer or insurer files a notice of intention to discontinue *weekly payments of temporary total, temporary partial, or permanent total disability benefits*, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.

Sec. 38. Minnesota Statutes 1983 Supplement, section 176.242, subdivision 2, is amended to read:

Subd. 2. [CONFERENCE, REQUEST.] (a) The employee has ten calendar days from the date the notice was (SERVED) *filed with the commissioner* to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. *If a notice of intent to discontinue has been filed, the commissioner shall schedule an administrative conference (TO BE HELD) within ten calendar days after the commissioner receives timely notice of the (EMPLOYEE'S OR EMPLOYER'S) request for an administrative conference. If no notice of intent to discontinue has been filed and the employer or insurer has requested a conference, the commissioner shall schedule an administrative conference to be held within 30 calendar days after the commissioner receives the employer's or insurer's request for a conference.*

(b) If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.

(c) An employee, (OR) employer, or insurer may request a continuance of a scheduled administrative conference. If the commissioner determines that good cause exists for granting a continuance, the commissioner may grant the continuance which shall not exceed ten calendar days *unless the parties agree to a longer continuance.* (NO MORE THAN ONE CONTINUANCE SHALL BE GRANTED.) If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise. *If the employer or insurer is granted a continuance, compensation shall continue to be paid during the continuance. There is no limit to the number of continuances the commissioner may grant to a party provided that the payment of compensation is subject to this clause during the continuance.*

(d) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance.

Sec. 39. Minnesota Statutes 1983 Supplement, section 176.242, subdivision 6, is amended to read:

Subd. 6. [EFFECT OF DECISION, (APPEAL) REVIEW, TOLLING.] (a) If an objection or a petition is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge pursuant to section 176.241.

(b) *If a party seeks a review of the commissioner's determination involving issues of maximum medical improvement or whether a job offer meets the criteria under section 176.101, subdivisions 3(e), 3(f), or 3(p), the 90-day period referred to in those subdivisions are tolled and commence on the date of filing of a final determination on the issue. For purposes of this subdivision, a "final determination" means a decision from which no appeal has been or may be taken.*

Sec. 40. Minnesota Statutes 1983 Supplement, section 176.242, subdivision 8, is amended to read:

Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b), or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has returned to work. *If the commissioner has denied a requested discontinuance and a compensation judge later rules that the discontinuance was proper, payments made under the commissioner's order as provided under subdivision 4 shall be treated as an overpayment which the employer or insurer may recover from the employee subject to the provisions of section 176.179.*

Sec. 41. Minnesota Statutes 1983 Supplement, section 176.243, subdivision 3, is amended to read:

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee or regarding the payment of temporary partial disability benefits, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the

employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Sec. 42. Minnesota Statutes 1982, section 176.271, subdivision 2, is amended to read:

Subd. 2. Before a proceeding is initiated pursuant to subdivision 1 the party contemplating initiation of a proceeding shall notify the party against whom the proceeding will be directed including an employer who has an interest in the matter and shall state the relief that will be sought in the proceeding. If the party to whom the notice is directed does not respond to the satisfaction of the party supplying the notice within 15 days of the receipt of the notice a proceeding may be initiated pursuant to subdivision 1. This notification is not required in cases where compliance with this subdivision would result in the claim being barred by section 176.151 or other sections or a proceeding under section 176.103, 176.242, or 176.243 or other proceeding for which the commissioner determines this notice is not necessary.

Sec. 43. Minnesota Statutes 1982, section 176.351, is amended by adding a subdivision to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative conference or hearing under section 176.102, 176.103, 176.135, 176.136, 176.242, or 176.243, shall not be subpoenaed to testify regarding the conference, hearing, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented to him or her prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

*In addition, for a hearing with a compensation judge and with the consent of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.*

Sec. 44. Minnesota Statutes 1983 Supplement, section 176.361, is amended to read:

176.361 [INTERVENTION.]

*Subdivision 1. [RIGHT TO INTERVENE.] A person who has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge such that the person may either gain or lose by an order or decision may intervene in the proceeding by filing an application in writing stating the facts which show the interest. The commissioner is considered to have an interest and shall be permitted to intervene at the appellate level when a party relies in its claim or defense upon any statute or rule administered by the commissioner, or upon any rule, order, requirement, or agreement issued or made under the statute or rule.*

*The commissioner (AND) may adopt rules, not inconsistent with this section to govern intervention. The workers' compensation court of appeals shall adopt rules to govern the procedure for intervention in matters before it.*

*If the department of public welfare or the department of economic security seeks to intervene in any matter before the division, a compensation judge or the workers' compensation court of appeals, a nonattorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents and appear at prehearing conferences. Any other interested party may intervene using a nonattorney. This activity shall not be considered to be the unauthorized practice of law.*

*Subd. 2. [WRITTEN APPLICATION.] A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written application to intervene to the compensation or settlement judge to whom the case has been assigned. If the case has not yet been assigned, the application shall be made to the calendar judge if the case has been certified to the office, or to the division if the case has not been certified to the office.*

(a) *The application must be served on all parties either personally, by first class mail, or registered mail, return receipt requested. An application to intervene must be served and filed within 60 days after a person has received notice that a petition has been filed as provided in this section. An untimely motion is subject to denial under subdivision 7.*

(b) *In any other situation, timeliness will be determined by the judge in each case based on circumstances at the time of filing. The application must show how the moving party's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the moving party's statutory right to intervene. The application must be accompanied by the following, if applicable:*

(1) *an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;*

(2) *a summary of the medical or treatment payments, or rehabilitation services provided by the division of vocational rehabilitation, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;*

(3) *copies of all medical or treatment bills on which some payment was made;*

(4) *copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;*

(5) *a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;*

(6) *a proposed order allowing intervention with sufficient copies to serve on all parties;*

(7) *the name and telephone number of the person representing the intervenor who has authority to reach a settlement of the issues in dispute;*

(8) *proof of service or copy of the registered mail receipt;*

(9) *at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and*

(10) if represented by an attorney, the name, address, telephone number, and Minnesota supreme court license number of the attorney.

*Subd. 3. [STIPULATION.] If the person submitting the application for intervention has included a proposed stipulation, all parties shall either execute and return the signed stipulation to the intervenor who must file it with the division or judge or serve upon the intervenor and all other parties and file with the division specific and detailed objections to any payments made by the intervenor which are not conceded to be correct and related to the injury or condition the petitioner has asserted is compensable. If a party has not returned the signed stipulation or filed objections within 30 days of service of the application, the intervenor's right to reimbursement for the amount sought is deemed established provided that the petitioner's claim is determined to be compensable.*

*Subd. 4. [ATTENDANCE BY INTERVENOR.] Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall attend all settlement or pretrial conferences and shall attend the regular hearing if ordered to do so by the compensation judge.*

*Subd. 5. [ORDER.] If an objection to intervention remains following settlement or pretrial conferences, the calendar judge shall rule on the intervention and the order is binding on the compensation judge to whom the case is assigned for hearing.*

*Subd. 6. [PRESENTATION OF EVIDENCE BY INTERVENOR.] Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall present evidence in support of the claim at the hearing unless otherwise ordered by the compensation judge.*

*Subd. 7. [EFFECTS OF NONCOMPLIANCE.] Failure to comply with this section shall not result in a denial of the claim for reimbursement unless the compensation judge, commissioner, medical services review board, or settlement judge determines that the noncompliance has materially prejudiced the interests of the other parties.*

Sec. 45. Minnesota Statutes 1983 Supplement, section 176.421, subdivision 7, is amended to read:

*Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before the commissioner and shall provide a stenographer or an audio magnetic recording device to make the record of the proceedings.*

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision. *This subdivision does not apply to any administrative conference or other proceeding before the commissioner which may be heard de novo in another proceeding including but not limited to proceedings under section 176.102, 176.103, 176.242, or 176.243.*

Sec. 46. Minnesota Statutes 1983 Supplement, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER.]

*Except for a commissioner's decision which may be heard de novo in another proceeding including a decision from an administrative conference under section 176.102, 176.103, 176.242, or 176.243, any decision or determination of the commissioner affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.*

Sec. 47. Minnesota Statutes 1983 Supplement, section 176.66, subdivision 10, is amended to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed in a significant way to the hazard of the occupational disease. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer who was on the risk during the employee's last significant exposure to the hazard of the occupational disease is the liable party. *If this last employer had coverage for workers' compensation liability from more than one insurer during the employment, the insurer on the risk during the last period during which the employee was last exposed to the hazard of the occupational disease shall pay benefits as provided under section 176.191, subdivision 1, whether or*



*not this insurer was on risk during the last significant exposure. The party making payments under this section shall be reimbursed by the party who is subsequently determined to be liable for the occupational disease, including interest at a rate of 12 percent a year. For purposes of this section, a self-insured employer shall be considered to be an insurer and an employer. Where there is a dispute as to which employer is liable under this section, the employer in whose employment the employee is last exposed to the hazard of the occupational disease shall pay benefits pursuant to section 176.191, subdivision 1.*

Sec. 48. Minnesota Statutes 1983 Supplement, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is  $66\frac{2}{3}$  percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be (IMMEDIATELY) eligible for supplementary benefits *notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease* if that employee's weekly compensation rate is less than (65 PERCENT OF THE STATEWIDE AVERAGE WEEKLY WAGE) *the current supplementary benefit rate.*

Sec. 49. Minnesota Statutes 1983 Supplement, section 176.85, subdivision 1, is amended to read:

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. *The request must be filed within 30 days of the date that the penalty assessment is served on the party.* Upon receipt of a timely request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Sec. 50. [ADMINISTRATIVE CONFERENCE SCHEDULING.]

*Notwithstanding anything to the contrary in section 176.242, subdivision 2, clause (a), an administrative conference pursu-*

ant to section 176.242 shall be scheduled within ten business days after the commissioner receives timely notice of the employee's request for a conference. This section applies to a conference which is requested on or after the effective date of this section and before November 1, 1984, after which time the provisions of section 176.242, subdivision 2, clause (a), apply.

Sec. 51. [STUDY.]

*The requirement of Laws 1983, chapter 301, section 32, that the commissioner shall study the need for establishing criteria which would determine whether a workers' compensation claim is handled by the division's attorneys, referred for private action, or referred for arbitration or mediation and report to the legislature is removed.*

Sec. 52. [REPEALER.]

*Minnesota Statutes 1982, sections 79.22, subdivision 2; and Minnesota Statutes 1983 Supplement, sections 147.02, subdivision 4; 176.129, subdivision 5, are repealed.*

Sec. 53. [APPLICATION OF LAWS 1983, CHAPTER 290, SECTIONS 84, 106, AND 107.]

*Laws 1983, chapter 290, sections 84, 106, and 107 apply to proceedings conducted after September 30, 1983, whether or not the injury occurred prior to that date.*

Sec. 54. [EFFECTIVE DATE.]

*The amendments in sections 1 to 12, 14, 17, 18, and 48 are not substantive in nature and are clarifications of legislative intent of Laws 1983, chapter 290, and apply to an injury occurring after December 31, 1983. The amendments in sections 25, 32 to 37, 40, 41, 45, and 46 are procedural in nature and are clarifications of Laws 1983, chapter 290, and apply to proceedings conducted after June 31, 1983, whether or not the injury occurred prior to that date. Failure to cite a specific section in this act as non-substantive or procedural shall not be construed by itself to mean that the section is a substantive change in the law. Section 24 applies to an injury for which a claim is pending or a claim made after the effective date of this act regardless of the date of injury. This act is effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to workers' compensation; clarifying the law concerning ridesharing; providing for miscellaneous changes in the workers' compensation process; amending Min-*

nesota Statutes 1982, sections 176.231, subdivision 1; 176.241, subdivisions 1 and 3, and by adding subdivisions; 176.271, subdivision 2; 176.351, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 79.34, subdivision 1; 176.041, subdivision 1; 176.101, subdivisions 3a, 3b, 3e, 3g, 3i, 3j, 3l, 3m, 3o, 3q, 3r, and 3t; 176.102, subdivisions 3a and 9; 176.103, subdivisions 3, and by adding a subdivision; 176.104, subdivisions 1 and 2; 176.129, subdivisions 3, 4, and by adding a subdivision; 176.135, subdivision 1, and by adding a subdivision; 176.138; 176.183, subdivision 1; 176.221, subdivisions 1, 3, and by adding a subdivision; 176.231, subdivision 9; 176.241, subdivision 2; 176.242, subdivisions 1, 2, 6, and 8; 176.243, subdivision 3; 176.361; 176.421, subdivision 7; 176.442; 176.66, subdivisions 10 and 11; 176.85, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1982, sections 79.22, subdivision 2; and Minnesota Statutes 1983 Supplement, sections 147.02, subdivision 4; 176.129, subdivision 5; and 176.051, subdivisions 2, 3, and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1771, A bill for an act relating to financial institutions; credit unions; providing for reciprocity between Minnesota credit unions and credit unions from states that have enacted similar laws; amending Minnesota Statutes 1982, section 52.03.

Reported the same back with the following amendments:

Page 2, line 1, delete "and"

Page 2, line 3, delete the period and insert " ; and"

Page 2, after line 3, insert:

"(f) the credit union complies with the provisions of chapter 52.

*Subd. 3. [CEASE AND DESIST.] If subsequent to approval it is determined that a reciprocating state credit union is not in compliance with the criteria of subdivision 2, the commissioner may by order require such reciprocating state credit union to discontinue its Minnesota operations by a date certain. The order would be subject to the procedures applicable to cease and desist proceedings pursuant to sections 46.23 to 46.33 and any rules promulgated thereunder.*

## Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

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. 1778, A bill for an act relating to environment; changing the date by which the pollution control agency must adopt an acid deposition standard for acid deposition in certain sensitive areas; amending Minnesota Statutes 1982, section 116.44, subdivision 2.

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. 1799, A bill for an act relating to Hubbard County; authorizing a special levy for park and recreation purposes.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Sec. 2. [APPROPRIATION.]

*Hubbard county may levy a property tax not greater than one-fifth of a mill annually and disburse its proceeds to operate county agricultural fairs and maintain buildings and grounds used for county agricultural fairs. This section supersedes any inconsistent provision of Minnesota Statutes, sections 38.17, 375.18, subdivision 8, or other law. The tax provided by this act shall be disregarded in the calculation of any other levy or limit on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law."*

Page 1, line 12, delete "EFFECTIVE DATE" and insert "LOCAL APPROVAL"

Page 1, line 13, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before the period insert “; authorizing appropriations to the county agricultural society and an annual levy for that purpose”

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1813, A bill for an act relating to hospital districts; providing for loans to students in health-related educational programs; amending Minnesota Statutes 1982, section 447.331.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1814, A bill for an act relating to taxation; providing for the determination of EARC adjusted assessed value; clarifying certain property tax credit provisions; simplifying iron ore valuation hearing requirements; modifying assessment procedures of certain class 3 property; altering the process for determining flexible homestead brackets; allowing for the rounding of amounts of special assessments on tax statements; changing the date for the issuance of warrants for delinquent personal property taxes; providing for additional administrative procedures for cigarette tax collection; requiring annual payment of occupation taxes; changing payment method for production taxes; adopting certain procedures relating to liquor tax collections; authorizing county treasurers to charge for dishonored checks; amending Minnesota Statutes 1982, sections 124.2131; 273.1104, subdivision 2; 277.03; 298.09, subdivision 2; 298.27; 298.282, subdivision 3; 340.601; Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 273.13, subdivision 21; 273.1311; 276.04; and 298.28, subdivision 1; proposing new law coded in Minnesota Statutes, chapters 297; 340; and 385; repealing Minnesota Statutes 1982, sections 298.045; 298.046; 298.047; and 298.048.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to 29 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding (THE HOMESTEAD DWELLING AND SURROUNDING ONE) *an acre of land for each dwelling*. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to 13 percent of the tax levy imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4, *including buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling*, and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to 13 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The amount of the reduction provided under this subdivision which any taxpayer can receive on all qualifying property which he owns shall not exceed \$2,000 in the case of agricultural property and shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners. For purposes of computing the credit pursuant to this subdivision, the "tax levy" shall be the tax levy reduced by the credits provided by sections 273.115, 273.116, 273.123, 273.42, subdivision 2, and 473H.10.

Sec. 2. Minnesota Statutes 1982, section 273.1104, subdivision 2, is amended to read:

Subd. 2. On or before October 1 in each year, the commissioner shall send to each person subject to the tax on unmined iron ores and to each taxing district affected, a notice of the assessed valuation of the unmined ores as determined by the commissioner. Said notice shall be sent by mail directed to such person at the address given in the report filed by him and the assessor of such taxing district, but the validity of the tax shall not be affected by the failure of the commissioner of revenue to mail such notice or the failure of the person subject to the tax to receive it.

On the first secular day following the tenth day of October, the commissioner of revenue shall hold a hearing (AT HIS OFFICE IN ST. PAUL) which may be adjourned from day to day. All relevant and material evidence having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. Every person subject to such tax may at such hearing present evidence and argument on any matter bearing upon the validity or correctness of the tax determined to be due from him, and the commissioner of revenue shall review his determination of such tax.

Sec. 3. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed as follows: the first \$30,000 of market value shall be valued and assessed at 17 percent; the next \$30,000 of market value shall be valued and assessed at 19 percent; and the remaining market value shall be valued and assessed at 30 percent. The maximum amounts of the market value of the homestead brackets subject to the 17 percent and 19 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to sections 273.123, 273.135, and 473H.10 shall be reduced by 54 percent of the tax imposed on the first \$67,000 of market value; provided that the amount of the reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected dis-

ability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) receives 90 percent or more of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability. Property shall be classified and assessed (AS CLASS 3CC) pursuant to clause (a) only if the commissioner of (REVENUE) welfare certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. *The commissioner of welfare shall provide a copy of the certification to the commissioner of revenue.* Class 3cc property shall be valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 19 percent, and the remaining market value shall be valued and assessed at 30 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 19 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by 54 percent of the tax imposed on the first \$67,000 of market value; provided that the amount of the reduction shall not exceed \$650.



For purposes of this subdivision, homestead property which qualifies for the classification ratios and credits provided in this subdivision shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of 1983 or the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Sec. 4. Minnesota Statutes 1983 Supplement, section 273.1311, is amended to read:

**273.1311 [FLEXIBLE HOMESTEAD BRACKETS.]**

The maximum amount of the market value of the homestead brackets shall be adjusted as provided in this section.

For taxes payable in 1985 and subsequent years, the commissioner shall adjust the brackets used in the preceding assessment by the estimated percentage increase in the statewide average assessors' estimated market value, *as equalized by the state board of equalization*, of a residential home for the current assessment over the previous assessment. The revised bracket shall be rounded to the nearest \$500. The commissioner of revenue shall determine and announce the revised bracket on (OCTOBER 1) *December 15* of each year preceding the assessment date.

Sec. 5. Minnesota Statutes 1983 Supplement, section 273.1315, is amended to read:

**273.1315 [CERTIFICATION OF 3CC PROPERTY.]**

Any property owner seeking classification and assessment of his homestead as class 3cc property pursuant to section 273.13, subdivision 7, *clause (b) or (c)*, shall file with the commissioner of revenue for each assessment year a 3cc homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or his spouse satisfies the requirements of section 273.13, subdivision 7, for 3cc classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before (FEBRUARY) *March* 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.17.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 3cc classification.

Sec. 6. Minnesota Statutes 1983 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the

program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but

only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abateements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abateements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the cost of implementing section 18.023, including sanitation and reforestation; and

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey.

Sec. 7. Minnesota Statutes 1983 Supplement, section 275.51, subdivision 3i, is amended to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite (TAXES AND) aids pursuant to sections 298.28 and 298.282 *including any aid received in the levy year which was required to be placed in a special fund for expenditure in the next succeeding year*; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3 and 273.116, subdivision 3; and (d) payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable. *If the sum of the taconite aids deducted exceeds the adjusted levy limit base, the excess must be used to reduce the amounts levied as special levies pursuant to section 275.50, subdivisions 5 and 7. The commissioner of revenue shall notify a governmental subdivision of any excess taconite aids to be used to reduce special levies.*

As provided in section 298.28, subdivision 1, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 8. Minnesota Statutes 1983 Supplement, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, town-

ship or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The dollar amounts, *including the dollar amount of any special assessments*, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. The taxpayer is defined as the owner who is responsible for the payment of the tax. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." The statement shall show the reduction attributable to the aid given pursuant to section 273.139 and shall indicate that the reduction is paid by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 9. Minnesota Statutes 1982, section 277.03, is amended to read:

#### 277.03 [DISTRESS AND SALE.]

Upon the (TWENTIETH) *tenth* secular day (OF JULY) next after the filing of such list the clerk of the district court shall issue his warrants to the sheriff of the county as to all the taxes and penalties embraced in the list, except those as to which a petition has been filed, pursuant to section 277.011, directing him to proceed to collect the same. If such taxes are not paid upon demand, the sheriff shall distrain sufficient goods and chattels belonging to the person charged with such taxes, if found within the county, to pay the same, with the said penalty of eight percent and all accruing costs, together with 25 cents from each delinquent, as compensation to the clerk of the district court. Immediately after making distress, the sheriff shall give at least ten days' posted notice in the town or district where the property is taken, stating that the property, or so much thereof as will be sufficient to pay the taxes for which it is distrained, with penalty and costs of distress and sale, will be sold at public vendue at a place and time therein designated, which

time shall not be less than ten days after such taking. If such taxes and penalties and accrued costs are not paid before the day designated, the sheriff or his deputy shall proceed to sell the property pursuant to the notice.

Sec. 10. [297.40] [EVASIONS; VIOLATIONS.]

*Subdivision 1. [ASSESSMENT, GENERALLY.] Except as otherwise provided in this chapter, the amount of any tax due shall be assessed within 3-1/2 years after a return is filed. The taxes are deemed to have been assessed within the meaning of this section whenever the commissioner of revenue has determined the tax and computed and recorded the amount of tax with respect thereto, and if the amount is found to be in excess of that originally declared on the return, whenever the commissioner has prepared a notice of tax assessment and mailed it to the taxpayer. The notice of tax assessment shall be sent by mail to the post office address given in the return and the record of the mailing shall be presumptive evidence of the giving of such notice, and such records shall be preserved by the commissioner.*

*Subd. 2. [COMPUTATION OF TIME.] For the purposes of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on the last day.*

*Subd. 3. [FALSE OR FRAUDULENT RETURN AND NO RETURN.] When a company, joint stock association, copartnership, corporation, or individual required to file a return under this chapter files a false or fraudulent return or fails to file a return, the tax may be assessed, and the attorney general may begin proceedings at any time.*

*Subd. 4. [CONSENT TO EXTEND TIME.] Where before the expiration of the time prescribed in subdivision 1 for the assessment of the tax, the commissioner of revenue and the company, joint stock association, copartnership, corporation, or individual filing the return consent in writing to an extension of time for the assessment of the tax, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.*

*Subd. 5. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits an amount properly includable therein which is in excess of 25 percent of the amount of tax stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax, may be begun at any time within six years after the return was filed.*

Sec. 11. Minnesota Statutes 1982, section 298.09, subdivision 2, is amended to read:



Subd. 2. On the first secular day following the fourteenth day of May, the commissioner of revenue shall hold a hearing (AT HIS OFFICE IN ST. PAUL) which may be adjourned from day to day. All relevant and material evidence having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. Every person subject to such tax may at such hearing present evidence and argument on any matter bearing upon the validity or correctness of the tax determined to be due from him, and the commissioner of revenue shall review his determination of such tax.

Sec. 12. Minnesota Statutes 1982, section 298.27, is amended to read:

#### 298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be collected and paid in the same manner as provided by law for the payment of the occupation tax, except that the report required by section 298.05 shall be filed on or before February 15 together with a remittance equal to 90 percent of the (ESTIMATED) tax required to be paid hereunder on or before April 15. On or before February 25, the commissioner of revenue shall make distribution of (SUCH ESTIMATED) *the* payment in the manner provided by section 298.28. The commissioner of revenue shall determine the amount of tax due on or before March 15. The (TAX FOUND TO BE) *balance* due shall be paid on or before April 15 following the production year. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination, and collection of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, are hereby made applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon such information as he may possess or obtain, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 15, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person (REQUIRED TO MAKE AN ESTIMATED) *responsible for making a partial tax payment at the time and in the manner herein provided (, AND)* fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the (ESTIMATED) *partial tax payment required herein*, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 13. Minnesota Statutes 1982, section 298.282, subdivision 3, is amended to read:

Subd. 3. If the amount certified by the commissioner of revenue as distributable to any qualifying municipality is greater than the amount previously estimated to have been distributable to such qualifying municipality in such year, the excess distributed to such municipality shall be held in a separate fund by the qualifying municipality and shall not be expended until the succeeding calendar year (AND SHALL BE DEDUCTED, FIRST, FROM THE PERMISSIBLE GENERAL LEVY AND THEN PROPORTIONATELY FROM PERMISSIBLE EXCESS LEVIES OF THE QUALIFYING MUNICIPALITY IN THE SUCCEEDING CALENDAR YEAR). If the amount distributable to any qualifying municipality, after final determination by the commissioner of revenue is less than the amount estimated to have been distributable to such qualifying municipality, such municipality may issue certificates of indebtedness in the amount of the shortage and may include in its next tax levy in excess of (THEN EXISTING LEVY LIMITATIONS) *the limitations under sections 275.50 to 275.56*, an amount sufficient to pay such certificates of indebtedness and interest thereon or, if no certificates were issued, an amount equal to such shortage.

Sec. 14. Minnesota Statutes 1982, section 340.601, is amended to read:

**340.601 [IMPORT; TAX EVASION, MISDEMEANOR.]**

Any person, excluding persons of minor age and other disqualified persons as provided by sections 340.73 and 340.78, who enters the state of Minnesota from another state may have in his personal possession one (QUART (32 OUNCES)) *liter* of intoxicating liquor or *288 ounces* of fermented malt beverages or who enters the state of Minnesota from a foreign country may

have in his possession (ONE GALLON (128 OUNCES)) *four liters* of intoxicating liquor or ten quarts (320 ounces) of fermented malt beverages without the required payment of the Minnesota excise tax. Any collector of commemorative bottles as defined in section 340.44, clauses (6) and (7), excluding persons of minor age and other disqualified persons as provided by sections 340.73 and 340.78, who enters the state of Minnesota from another state may have in his personal possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. Any person who shall import or have in his possession any such untaxed intoxicating liquor or fermented malt beverages in excess of the quantities provided for in this section is guilty of a misdemeanor. The foregoing provisions do not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers of such beverages when duly licensed by the commissioner or to common carriers with licenses to sell intoxicating liquor in more than one state. Any peace officer, the commissioner, or his authorized agents, may seize such untaxed liquor.

Sec. 15. [340.987]

*Subdivision 1. [COMMISSIONER TO EXAMINE AND CORRECT RETURN; COLLECTION OF DEFICIENCY.] As soon as practicable after any return is filed as directed by this chapter, the commissioner shall examine the return and correct it, if necessary, according to his best judgment and information. The return, together with the commissioner's corrections, if any, shall be prima facie correct and shall be prima facie evidence of the correctness of the amount of tax due, as shown therein. If the commissioner finds that any amount of tax is due and unpaid, he shall notify the taxpayer of the deficiency, stating that he proposes to assess the amount due together with interest and penalties as hereinafter provided. If a deficiency disclosed by the commissioner's examination cannot be allocated by him to a particular month or months, he shall notify the taxpayer of the deficiency, assessing the amount due for a given period without allocating it to any particular month or months, together with the penalty provided in the case of other corrected returns. If any taxpayer making any return shall die or shall become incompetent at any time before the commissioner issues his notice that he proposes to assess an amount due, that notice shall be issued to the administrator, executor, or other legal representative, as such, of that distributor.*

*Subd. 2. [MONTHLY TAX PAYMENTS; PENALTY FOR NONPAYMENT.] All taxes shall be due and payable as directed in this chapter, and taxes not paid shall bear interest at the rate specified in section 270.75. The commissioner in issuing his final assessment shall add to the amount of tax found due and unpaid a penalty of ten percent thereof, except that, if he*

*finds that the taxpayer has made a false and fraudulent return with intent to evade the tax imposed by this chapter, the penalty shall be 25 percent of the entire tax as shown by the corrected return. If the tax is not paid within the time herein specified for the payment thereof or within 30 days after final determination of an appeal to the Minnesota tax court relating thereto, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid, but in no event shall the penalty for failure to pay the tax within the time provided for payment be less than \$10. The commissioner is authorized to extend the time for paying the tax without penalty for good cause shown.*

**Subd. 3. [RECOVERY BY COMMISSIONER.]** *The commissioner may recover the amount of any tax due and unpaid, interest, and any penalty in a civil action. The collection of a tax, interest, or penalty shall not be a bar to any prosecution under this chapter.*

**Subd. 4. [PENALTY; MAXIMUM; MINIMUM; EXTENSION.]** *If any return required to be filed under the provisions of this section is not filed within the time herein specified, a penalty of five percent of the unpaid tax remaining each month up to a maximum of 25 percent is imposed, but in no event shall the penalty for failing to timely file a return be less than \$10. The commissioner of revenue is authorized to extend the time for filing a return without penalty for good cause shown.*

**Sec. 16. [340.988] [EVASIONS; VIOLATIONS.]**

**Subdivision 1. [ASSESSMENT, GENERALLY.]** *Except as otherwise provided in this chapter, the amount of any tax due shall be assessed within 3-1/2 years after the return is filed. The taxes are deemed to have been assessed within the meaning of this section whenever the commissioner of revenue has determined the tax and computed and recorded the amount of tax with respect thereto, and if the amount is found to be in excess of that originally declared on the return, whenever the commissioner has prepared a notice of tax assessment and mailed it to the taxpayer. The notice of tax assessment shall be sent by mail to the post office address given in the return and the record of mailing shall be presumptive evidence of the giving of notice, and such records shall be preserved by the commissioner.*

**Subd. 2. [COMPUTATION OF TIME.]** *For the purposes of this section, a return filed before the last day prescribed by law for the filing thereof is considered as filed on the last day.*

**Subd. 3. [FALSE OR FRAUDULENT RETURN AND NO RETURN.]** *When a company, joint stock association, co-partnership, corporation, or individual required to file a return under this chapter files a false or fraudulent return or fails to*

*file a return, the tax may be assessed, and the attorney general may begin proceedings at any time.*

*Subd. 4. [CONSENT TO EXTEND TIME.] Where, before the expiration of the time prescribed in subdivision 1 for the assessment of the tax, the commissioner of revenue and the company, joint stock association, copartnership, corporation, or individual filing the return consent in writing to an extension of time for the assessment of the tax, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.*

*Subd. 5. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits an amount properly includable therein which is in excess of 25 percent of the amount of tax stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun at any time within six years after the return was filed.*

#### Sec. 17. [385.42] [IMPOSITION OF PENALTY.]

*If authorized by a resolution of the county board, the county treasurer shall impose a charge for all dishonored checks. The amount of the charge shall be established by the county board, not to exceed \$15.*

#### Sec. 18. [REPEALER.]

*Minnesota Statutes 1982, sections 298.045, 298.046, 298.047, and 298.048, are repealed.*

#### Sec. 19. [EFFECTIVE DATES.]

*Sections 1, 4, and 8, are effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter. Sections 2, 3, 5 to 7, 9 to 11, and 14 to 18, are effective the day following final enactment. Sections 12 and 13 are effective for taxes payable in 1985 and thereafter."*

Delete the title and insert:

*"A bill for an act relating to taxation; clarifying certain property tax credit provisions; providing that amounts to pay certain certificates are a special levy; providing for deduction of tacomite aids from levy limit base; simplifying iron ore valuation hearing requirements; altering the process for determining flexible homestead brackets; allowing for the rounding of amounts of special assessments on tax statements; changing the date for the issuance of warrants for delinquent personal property taxes;*

providing for additional administrative procedures for cigarette tax collection; requiring annual payment of occupation taxes; changing payment method for production taxes; adopting certain procedures relating to liquor tax collections; authorizing county treasurers to charge for dishonored checks; amending Minnesota Statutes 1982, sections 273.1104, subdivision 2; 277.03; 298.09, subdivision 2; 298.27; 298.282, subdivision 3; 340.601; Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 273.13, subdivision 7; 273.1311; 273.1315; 275.50, subdivision 5; 275.51, subdivision 3i; and 276.04; proposing new law coded in Minnesota Statutes, chapters 297; 340; and 385; repealing Minnesota Statutes 1982, sections 298.045; 298.046; 298.047; and 298.048."

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1815, A bill for an act relating to taxation; property; eliminating obsolete language; making technical changes; and repealing obsolete provisions; amending Minnesota Statutes 1982, sections 272.02, subdivisions 2, 3, and 5; 272.20; 272.21; 272.32; 272.37; 272.64; 273.05, subdivision 1; 273.061, subdivision 2; 273.08; 273.1105, subdivision 5; 273.111, subdivisions 8 and 11; 273.115, subdivision 5; 273.116, subdivisions 1 and 5; 273.13, subdivisions 7a, 15a, and 19; 273.135, subdivision 3; 273.1391, subdivision 3; 273.22; 275.02; 275.49; 275.51, subdivisions 1 and 4; 360.037, subdivision 2; 373.31, subdivision 2; 375.167, subdivision 1; 473F.02, subdivision 3; 473H.10, subdivision 3; 475.53, subdivisions 1, 3, and 5; Minnesota Statutes 1983 Supplement, sections 272.02, subdivision 1; 273.115, subdivision 1; 273.13, subdivisions 6, 7, 7d, and 14a; 273.138, subdivision 6; 507.235, subdivision 2; repealing Minnesota Statutes 1982, sections 270.90; 272.34; 272.35; 272.36; 272.61; 272.62; 272.63; 272.66; 273.04; 273.111, subdivision 8a; 273.13, subdivision 14; 273.27; 273.56; 275.09; 275.091; 275.161; 275.23; 275.44; 275.45; 275.46; 275.47; 368.86; and 382.19.

Reported the same back with the following amendments:

Page 2, line 6, after "structures" insert "*and the structures*"

Page 3, line 19, before "All" insert "*Except for the taxable personal property enumerated below,*"

Page 3, line 20, strike ", except" and insert "*shall be exempt.*"

Page 3, line 21, begin a new paragraph and after "*following*" insert "*personal property*"

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. 1819, A bill for an act relating to health; requiring that hearing aid sellers give buyers a right to cancel their purchase; amending Minnesota Statutes 1982, section 145.43, by adding a subdivision; repealing Minnesota Statutes 1982, sections 145.43, subdivision 2; and 145.44.

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. 1822, A bill for an act relating to veterinarians; permitting certain University of Minnesota employees to perform certain duties; amending Minnesota Statutes 1982, section 156.12, 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. 1842, A bill for an act relating to economic development; creating the Minnesota Manufacturing Growth Council; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 2, line 14, after the period insert "*The governor shall seek to appoint at least one member representing manufacturing businesses owned or managed by women.*"

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. 1844, A bill for an act relating to nonprofit corporations; providing for the recording of board votes; amending Minnesota Statutes 1982, section 317.20, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 10, delete everything after the first comma and insert "*there may be no secret balloting on any vote*"

Page 1, line 11, delete "*vote cast, by a member*"

Page 1, line 15, delete the semicolon and insert a period

Page 1, delete lines 16 and 17

Page 1, line 19, delete "*or*" and insert a comma

Page 1, line 19, before the period insert "*or directors, or if the vote is taken by the board of a hospital or a health maintenance organization*"

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. 1854, A bill for an act relating to occupations and professions; providing licensing requirements for closing agents; providing penalties; proposing new law coded in Minnesota Statutes, chapter 82.

Reported the same back with the following amendments:

Page 1, line 12, delete "*or a licensed attorney at law*" and insert "*, a licensed attorney at law, a bank, a savings and loan*



*association, a credit union, an industrial loan and thrift company, regulated lenders, real estate title insurance companies, employees or agents of any of them"*

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. 1855, A bill for an act relating to health; requiring the commissioner to study and report to the legislature on wellness promotional efforts; amending Minnesota Statutes 1982, section 144.05, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 24, after "sector" insert "*including local boards of health*"

Page 2, line 31, after "state" insert "*and local*"

Page 2, delete line 36

Page 3, delete lines 1 to 3 and insert:

"Sec. 2. [APPROPRIATION.]

*There is appropriated \$ . . . . . from the general fund to the commissioner of health for purposes of section 1.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective July 1, 1984."*

Amend the title:

Page 1, line 4, after the semicolon 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.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1860, A bill for an act relating to horse racing; providing for the distribution of proceeds from the Minnesota Breeders Fund; amending Minnesota Statutes 1983 Supplement, section 240.18.

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. 1872, A bill for an act relating to occupations and professions; authorizing the board to accept foreign pharmacy graduates for examination as pharmacists; amending Minnesota Statutes 1982, section 151.10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1881, A bill for an act relating to towns; changing provisions for the use of certain state-aid road funds; amending Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 4, reinstate the stricken "and" and delete the comma

Page 2, line 5, delete ", and maintenance"

Page 2, line 5, before the period insert "*provided, however, a town receiving less than \$2,500 in any year under this subdivision may use the funds for maintenance graveling of town roads in that year*"

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. 1887, A bill for an act relating to the Minnesota emergency employment development program; appropriating additional money for the program; delaying its termination; amending Minnesota Statutes 1983 Supplement, sections 268.677; and 268.686.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT TO GOVERNOR AND LEGISLATURE.] The coordinator shall report to the legislative advisory commission, *the chairmen of the house and senate governmental operations committees*, and the governor on a quarterly basis: (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent in each service delivery area for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their current employment, educational, or training status; and (5) any other information requested by the commission or the governor or deemed pertinent by the coordinator. *Each report shall include cumulative information, as well as information for each quarter.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 268.675, is amended to read:

268.675 [ALLOCATION OF FUNDS AMONG SERVICE DELIVERY AREAS.]

(a) (NINETY) *Eighty* percent of the funds available for allocation to employment administrators for the program must be allocated among service delivery areas as follows: each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total number of unemployed persons in the state for the 12-month period ending the most recent March 31.

(b) (TEN) *Twenty* percent of the funds available for allocation to employment administrators under the program must be allocated at the discretion of the coordinator to employment administrators:

(1) who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;

(2) who have demonstrated need beyond the allocation available under clause (1); (OR)

(3) who have demonstrated outstanding performance in job creation; or

(4) *who have demonstrated that the unemployed persons in the service delivery area incur unusual costs related to employment under sections 268.671 to 268.686.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within a service area shall be determined by the employment administrator within each service delivery area according to the priorities in sections 268.68 and 268.681. The employment administrator shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than (60) 40 percent of the funds may be allocated for jobs with eligible government and nonprofit agencies during the biennium.

Sec. 4. Minnesota Statutes 1983 Supplement, section 268.677, is amended to read:

#### 268.677 [USE OF FUNDS.]

Funds appropriated for the purposes of sections 268.671 to 268.686 may be used as follows:

(a) To provide a state contribution for wages and fringe benefits for eligible job applicants for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. For eligible job applicants participating in a job training program, the state contribution for wages may be used for a maximum period of 52 weeks per job applicant. The state contribution for wages shall be up to \$4 per hour for each eligible job applicant employed. The state contribution for fringe benefits may be up to \$1 per hour for each eligible job applicant employed. However, the employer may use funds from other sources to provide increased wages to the applicants it employs. At least 75 percent of the funds appropriated for the program must be used to pay wages for eligible job applicants;

(b) To reimburse the commissioner of economic security in an amount not to exceed one percent of the funds appropri-

ated for the actual cost of administering sections 268.671 to 268.686, and to reimburse the employment administrators in an amount not to exceed 4-1/2 percent of the funds appropriated for their actual cost of administering sections 268.671 to 268.686. The commissioner of economic security and the employment administrators shall reallocate funds from other sources to cover the administrative costs of this program whenever possible;

(c) To provide child care services or subsidies to applicants employed under sections 268.671 to 268.686;

(d) To provide workers' compensation coverage to applicants employed by government or nonprofit agencies under sections 268.671 to 268.686;

(e) To provide job search assistance, labor market orientation, job seeking skills, and referral for other services;

(f) To purchase supplies and materials for projects creating permanent improvements to public property in an amount not to exceed one percent of the funds appropriated.

The employment administrator of each service delivery area shall submit to the coordinator a spending plan establishing that funds allocated to the service delivery area will be used (BY OCTOBER 1, 1984,) in the manner required by sections 268.671 to 268.686. Any funds allocated to the service delivery area for which there is no spending plan approved by the coordinator shall cancel back to the Minnesota emergency employment development account and may be reallocated by the coordinator to other employment administrators.

Sec. 5. Minnesota Statutes 1983 Supplement, section 268.686, is amended to read:

268.686 [SUNSET.]

Laws 1983, chapter 312, article 7, sections 1 to 18 are repealed (JUNE 30, 1985) *January 1, 1986.*

Sec. 6. [APPROPRIATION.]

*There is appropriated from the general fund to the commissioner of economic security the sum of \$70,000,000 to be used for the jobs program established under Minnesota Statutes, sections 268.671 to 268.686. None of the money appropriated by this section may be encumbered after May 31, 1985. Any unexpended and unencumbered balance cancels December 31, 1985. To the extent permissible under federal and state law, the commissioner shall use money from the federal government and the private sector to fund the program."*

Delete the title and insert:

"A bill for an act relating to the Minnesota emergency employment development program; appropriating additional money for the program; delaying its termination; amending Minnesota Statutes 1983 Supplement, sections 268.673, subdivision 5; 268.675; 268.676, subdivision 2; 268.677; and 268.686."

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. 1903, A bill for an act relating to local government; clarifying powers of municipalities with respect to sale of air rights; amending Minnesota Statutes 1982, section 472A.03.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1909, A bill for an act relating to the Mississippi River headwaters area; requiring other governmental units to follow the land use plan adopted by the board; proposing new law coded in Minnesota Statutes, chapter 114B.

Reported the same back with the following amendments:

Page 1, lines 14 and 16, after "board" insert "*on February 12, 1981*"

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. 1917, A bill for an act relating to elections; limiting membership on a county canvassing board; amending Minnesota Statutes 1982, section 204C.31, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 20, delete "*a candidate at the election*"

Page 1, line 21, delete the first "*or*" and after "*spouse,*" insert "*brother- or sister-in-law, mother- or father-in-law, son- or daughter-in-law,*"

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. 1947, A bill for an act relating to public welfare; directing the commissioner of public welfare to assess the need for home and community-based services for disabled persons under the age of 65 and apply for a waiver under the federal medicaid program; proposing new law coded in Minnesota Statutes, chapter 256B.

Reported the same back with the recommendation that 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. 1949, A bill for an act relating to insurance; automobile; requiring a premium reduction for certain persons who complete an accident prevention course; proposing new law coded in Minnesota Statutes, chapter 65B.

Reported the same back with the following amendments:

Page 1, line 14, delete "*55*" and insert "*65*"

Page 1, line 20, delete "*55*" and insert "*65*"

Page 2, line 3, delete "*55*" and insert "*65*"

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. 1961, A bill for an act relating to state departments and agencies; changing the composition and powers of the board of private detective and protective agent services; changing requirements for obtaining a license; amending Minnesota Statutes 1982, sections 326.33; 326.331; 326.332, subdivision 1; and 326.333; repealing Minnesota Statutes 1982, section 299C.01, subdivision 3.

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. 1966, A bill for an act relating to public welfare; limiting medical assistance and general assistance reimbursements for chemical dependency treatment; extending temporary rulemaking authority for prospective payments for inpatient hospital services; expanding medical assistance eligibility for certain persons; eliminating the requirement that the commissioner seek a co-payment waiver for HMO enrollees under medical assistance; clarifying existing language; amending Minnesota Statutes 1982, sections 256B.17, as amended; 256B.19, subdivision 1; Minnesota Statutes 1983 Supplement, sections 256.968; 256.969, subdivision 6; and 256B.06, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 144.695, is amended to read:

144.695 [CITATION.]

Sections 144.695 to 144.703 may be cited as the Minnesota (HOSPITAL ADMINISTRATION ACT OF 1976) *Health Care Cost Information Act of 1984*.

Sec. 2. Minnesota Statutes 1982, section 144.696, is amended to read:

144.696 [DEFINITIONS.]



Subdivision 1. Unless the context clearly indicates otherwise, for the purposes of sections 144.695 to 144.703, the terms defined in this section have the meanings given them.

Subd. 2. "Commissioner of health" means the state commissioner of health.

Subd. 3. "Hospital" means any acute care institution licensed pursuant to sections 144.50 to 144.58, but does not include any health care institution conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any church or denomination.

Subd. 4. ("COMMISSIONER OF INSURANCE" MEANS THE COMMISSIONER OF INSURANCE.)

(SUBD. 5. "INSURER" MEANS A PERSON SELLING POLICIES OF ACCIDENT AND HEALTH INSURANCE PURSUANT TO CHAPTER 62A, OR NONPROFIT HEALTH SERVICE PLAN SUBSCRIBER CONTRACTS PURSUANT TO CHAPTER 62C) *"Outpatient surgical center" means a facility other than a hospital offering elective outpatient surgery under a license issued under sections 144.50 to 144.58.*

Sec. 3. Minnesota Statutes 1982, section 144.698, is amended to read:

144.698 [REPORTING REQUIREMENTS.]

Subdivision 1. Each hospital *and each outpatient surgical center*, which has not filed the financial information required by this section with a voluntary, nonprofit (RATE REVIEW) reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(a) A balance sheet detailing the assets, liabilities, and net worth of the hospital;

(b) A detailed statement of income and expenses; (AND)

(c) A copy of its most recent cost report, *if any*, filed pursuant to requirements of Title XVIII of the United States Social Security Act; *and*

(d) *A copy of all changes to articles of incorporation or bylaws.*

Subd. 2. If more than one licensed hospital *or outpatient surgical center* is operated by the reporting organization, the

commissioner of health may require that the information be reported separately for each hospital and each outpatient surgical center.

Subd. 3. The commissioner of health may require attestation by responsible officials of the hospital or outpatient surgical center that the contents of the reports are true.

Subd. 4. All reports, except privileged medical information, filed pursuant to this section, section 144.701 or section 144.702, subdivision 3 or 4 shall be open to public inspection.

Subd. 5. The commissioner of health shall have the right to inspect hospital and outpatient surgical center books, audits, and records as reasonably necessary to verify hospital and outpatient surgical center reports.

Sec. 4. Minnesota Statutes 1982, section 144.699, is amended to read:

144.699 [CONTINUING ANALYSIS.]

Subdivision 1. [ACUTE CARE COSTS.] The commissioner of health may:

(a) Undertake analyses and studies relating to (HOSPITAL) acute care costs and to the financial status of any hospital or outpatient surgical center subject to the provisions of sections 144.695 to 144.703; and

(b) Publish and disseminate the information relating to (HOSPITAL) acute care costs.

Subd. 2. [FOSTERING PRICE COMPETITION.] The commissioner of health shall:

(a) Encourage hospitals, outpatient surgical centers, and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, and by the commissioner of health under section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment.

(b) Analyze and disseminate available price information and analyses so as to foster the development of price competition among hospitals, outpatient surgical centers, and health professionals.

Subd. 3. [COOPERATION WITH ATTORNEY GENERAL.] Upon request of the attorney general, the commissioner of health shall make available to the attorney general all requested infor-

*mation provided under sections 144.695 to 144.703 in order to assist the attorney general in discharging the responsibilities of section 8.31.*

*Subd. 4. The commissioner of health shall prepare and file summaries and compilations or other supplementary reports based on the information filed with or made available to the commissioner of health, which reports will advance the purposes of sections 144.695 to 144.703.*

Sec. 5. Minnesota Statutes 1982, section 144.701, is amended to read:

144.701 [(INVESTIGATIVE POWER) *RATE DISCLOSURE.*]

Subdivision 1. The commissioner of health (MAY INITIATE REVIEWS OR INVESTIGATIONS AS NECESSARY TO ASSURE ALL PURCHASERS OF HOSPITAL HEALTH CARE SERVICES THAT THE TOTAL COSTS OF A HOSPITAL ARE REASONABLY RELATED TO THE TOTAL SERVICES OFFERED, THAT THE HOSPITAL'S AGGREGATE REVENUES AS EXPRESSED BY RATES ARE REASONABLY RELATED TO THE HOSPITAL'S AGGREGATE COSTS, AND THAT RATES ARE SET EQUITABLY. THE COMMISSIONER OF HEALTH SHALL PROHIBIT HOSPITALS FROM DISCRIMINATING AMONG INSURERS IN ITS RATES.)

(SUBD. 2. IN ORDER TO PROPERLY DISCHARGE THESE OBLIGATIONS, THE COMMISSIONER OF HEALTH MAY REVIEW PROJECTED ANNUAL REVENUES AND EXPENSES OF HOSPITALS AND COMMENT ON THEM.)

(SUBD. 3. IN THE INTEREST OF PROMOTING THE MOST EFFICIENT AND EFFECTIVE USE OF HOSPITALS, THE COMMISSIONER OF HEALTH MAY PROMOTE EXPERIMENTAL ALTERNATIVE METHODS OF BUDGETING, COST CONTROL, RATE DETERMINATION AND PAYMENT) *shall ensure that the total costs, total revenues, and total services of each hospital and each outpatient surgical center are reported to the public in a form understandable to consumers.*

Subd. (4) 2. The commissioner of health shall (BEGIN TO) compile relevant financial and accounting data concerning hospitals and outpatient surgical centers in order to have statistical information available for legislative policy making.

Subd. (5) 3. The commissioner of health shall obtain from each hospital and outpatient surgical center a current rate schedule. Any subsequent amendments or modifications of that schedule shall be filed with the commissioner of health at least

60 days in advance of their effective date. (THE COMMISSIONER OF HEALTH MAY, BY RULE, EXEMPT FROM THIS REQUIREMENT RATE INCREASES WHICH HAVE A MINIMAL IMPACT ON HOSPITAL COSTS. IF THE HOSPITAL HAS NOT AGREED TO SUBMIT TO A VOLUNTARY RATE REVIEW IN ACCORDANCE WITH SECTION 144.702, THE COMMISSIONER OF HEALTH MAY HOLD A PUBLIC HEARING PURSUANT TO CHAPTER 14, ON ANY INCREASE WHICH HE DETERMINES IS EXCESSIVE AND MAY PUBLICLY COMMENT ON ANY INCREASE.)

Subd. (6) 4. Each report which is required to be submitted to the commissioner of health (PURSUANT TO SUBDIVISION 5) *under sections 144.695 to 144.703* and which is not *submitted to* (BE REVIEWED BY) a voluntary, nonprofit (RATE REVIEW) *reporting* organization in accordance with section 144.702 shall be accompanied by a filing fee in an amount prescribed by rule of the commissioner of health. (FILING FEES SHALL BE SET AT A LEVEL SUFFICIENT TO COVER THE COSTS OF ANY REVIEWS UNDERTAKEN PURSUANT TO SUBDIVISION 5, AND MAY TAKE INTO CONSIDERATION THE LENGTH OR COMPLEXITY OF THE REPORT BEING FILED.) Fees received pursuant to this subdivision shall be deposited in the general fund of the state treasury.

Sec. 6. Minnesota Statutes 1982, section 144.702, is amended to read:

144.702 [VOLUNTARY REPORTING (AND RATE REVIEW) OF HOSPITAL AND OUTPATIENT SURGICAL CENTER COSTS.]

Subdivision 1. A hospital *or outpatient surgical center* may agree to submit its financial reports to (, AND BE SUBJECT TO A REVIEW OF ITS RATES BY,) a voluntary, nonprofit (RATE REVIEW) *reporting* organization whose reporting (AND REVIEW) procedures have been approved by the commissioner of health in accordance with this section.

Subd. 2. The commissioner of health may approve voluntary reporting (AND RATE REVIEW) procedures which are substantially equivalent to reporting requirements and (RATE REVIEW) procedures adopted by the commissioner of health for reporting (AND RATE REVIEWS CONDUCTED PURSUANT TO) *procedures under sections (144.698 AND 144.701) 144.695 to 144.703*. The commissioner of health shall, by rule, prescribe standards for approval of voluntary (RATE REVIEW) *reporting* procedures, which standards shall provide for:

(a) The filing of appropriate financial information with the (RATE REVIEW) *reporting* organization;

(b) Adequate analysis and verification of that financial information; and

(c) Timely publication of the (REVIEW ORGANIZATION'S FINDINGS AND COMMENTS) *costs, revenues, and rates of individual hospitals and outpatient surgical centers* prior to the effective date of any proposed rate increase. The commissioner of health shall annually review the procedures approved pursuant to this subdivision.

Subd. 3. Any voluntary, nonprofit (RATE REVIEW) *reporting* organization which (CONDUCTS A REVIEW OF THE) *collects information on costs, revenues, and rates of a hospital or outpatient surgical center* located in this state shall file a copy of (ITS FINDINGS AND COMMENTS) *the information received for each hospital and outpatient surgical center* with the commissioner of health within 30 days of completion of the (REVIEW) *information collection* process, together with a summary of the financial information acquired by the organization during the course of its review.

Subd. 4. Any voluntary, nonprofit (RATE REVIEW) *reporting* organization which receives the financial information required (IN SECTION 144.698) *by sections 144.695 to 144.703* shall make the information and all summaries and analyses of the information available to the commissioner of health in accordance with procedures prescribed by the commissioner of health.

Subd. 5. If the reporting and (RATE REVIEW) procedures of a voluntary, nonprofit (RATE REVIEW) *reporting* organization have been approved by the commissioner of health those reporting (AND RATE REVIEWING) activities of the organization shall be exempt from the provisions of sections 325D.49 to 325D.66.

Subd. 6. For the purposes of this section "(RATE REVIEW) *reporting* organization" means an association or other organization which has as one of its primary functions the (PEER REVIEW OF HOSPITAL RATES) *collection and dissemination of acute care cost information*.

Sec. 7. Minnesota Statutes 1982, section 144.703, is amended to read:

#### 144.703 [ADDITIONAL POWERS.]

Subdivision 1. In addition to the other powers granted to the commissioner of health (AND THE COMMISSIONER OF INSURANCE) by law, the commissioner of health (AND THE COMMISSIONER OF INSURANCE) may (EACH):

(a) Adopt, amend, and repeal rules in accordance with chapter 14;

(b) (HOLD PUBLIC HEARINGS, CONDUCT INVESTIGATIONS, AND ADMINISTER OATHS OR AFFIRMATIONS IN ANY HEARING OR INVESTIGATION) Adopt in rule a schedule of fines, ranging from \$100 to \$1,000, for failure of a hospital or an outpatient surgical center to submit, or to make a timely submission of, information called for by sections 144.695 to 144.703.

Subd. 2. Any person aggrieved by a final determination of the commissioner of health (OR THE COMMISSIONER OF INSURANCE) as to any rule or determination under sections 144.695 to 144.703 (; OR 62A.02, SUBDIVISION 3; OR 62C.15, SUBDIVISION 2,) shall be entitled to (AN ADMINISTRATIVE HEARING AND) judicial review in accordance with (THE CONTESTED CASE PROVISIONS OF) chapter 14.

#### Sec. 8. [REPORT.]

*By October 1, 1985, the commissioner of health shall report to the legislature recommendations for an integrated, comprehensive cost containment program for acute care health services. At a minimum, the recommendations shall include:*

(a) *a proposal for a mechanism that would constrain expansion in the service capacity of the acute care health system by means of specific and quantifiable prospectively determined limits;*

(b) *a proposal for a mechanism that would prospectively limit charges for acute care health services; and*

(c) *any other related proposals the commissioner deems prudent to recommend.*

#### Sec. 9. [SAVINGS CLAUSE.]

*The following rules adopted by the commissioner of health under sections 144.695 to 144.703 are repealed.*

(a) *Rules prescribing standards for the investigation, analysis, and judging of the reasonableness of the use of finances in a hospital.*

(b) *Rules prescribing standards for allowable increase limits.*

*(c) Rules prescribing standards for acceptable increases in gross acute care charges.*

*All other rules adopted by the commissioner under sections 144.695 to 144.703 remain in effect.*

*Notwithstanding the time limitation prescribed in 7 MCAR S 1.475 E.1., the experimental alternative reporting requirements contained in 7 MCAR S 1.475 shall be in effect until amended or repealed by the commissioner.*

*The rules not repealed by this section adopted under sections 144.695 to 144.703 apply to hospitals and outpatient surgical centers. The commissioner may grant outpatient surgical centers a group variance from compliance with provisions of the rules if uniform alternative requirements substantially equivalent to those prescribed in the rules are reasonably necessary to achieve the purposes of sections 144.695 to 144.703.*

*Promptly after enactment of sections 1 to 9, the commissioner shall publish in the State Register rules adopted under sections 144.695 to 144.703 that are not repealed by this section.*

Sec. 10. Minnesota Statutes 1982, section 256.045, subdivision 2, is amended to read:

Subd. 2. [LOCAL WELFARE HEARINGS.] In counties in which the commissioner of public welfare has appointed a local welfare referee, any person applying for (OR), receiving, or having received public assistance granted by a local agency pursuant to Minnesota Statutes, Sections 256.72 to 256.87, Chapters 256B, 256D, 261, the Federal Food Stamp Act or a program of social services whose application for assistance is denied, or not acted upon with reasonable promptness, or whose assistance is suspended, reduced, (OR) terminated (BY A LOCAL AGENCY), or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, may contest that action or decision before the local welfare referee by submitting a written request for a hearing to the local 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 shows good cause why the request was not submitted within the 30 day time limit. The local welfare referee shall conduct a hearing on the matter and shall issue a ruling affirming, reversing, or modifying the action or decision of the local agency. The ruling of the local welfare referee shall be binding upon the local agency and the aggrieved party unless appeal is taken in the manner provided by subdivision 3.

Sec. 11. Minnesota Statutes 1983 Supplement, 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 or *having received* 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 *claimed to have been incorrectly paid*, or any patient or relative aggrieved by an order of the commissioner under section 252.27, 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, recipient, patient or relative shows good cause why the request was not submitted within the 30 day time limit. A local agency (, APPLICANT, RECIPIENT, PATIENT OR RELATIVE) or *party* 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. 12. Minnesota Statutes 1982, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] All hearings held pursuant to subdivisions 2 or 3 shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid; and according to the rules and written policies of the commissioner of public welfare. The hearing shall not be held earlier than five days after filing of the required notice with the local or state agency. The local welfare referee or state welfare referee shall notify all interested persons of the time, date and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other spokesman of their choice at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant (OR), recipient, or *former recipient* shall have the opportunity to examine the contents of his case file and all documents and records to be used by the local agency at the hearing at a reasonable time before the date of the hearing and during the hearing. All evidence, except that privileged by law, commonly accepted by reasonable men in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3.



Sec. 13. Minnesota Statutes 1982, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF WELFARE.] The commissioner of public welfare may accept the recommended order of a state welfare referee and issue the order to the local agency and the applicant (OR), recipient, *or former recipient*. If the commissioner refuses to accept the recommended order of the state welfare referee, he shall notify the local agency and the applicant (OR), recipient, *or former recipient* of that fact and shall state his reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten day period, the commissioner shall issue an order on the matter to the local agency and the applicant (OR), recipient, *or former recipient*. Any order of the commissioner issued in accordance with this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7.

Sec. 14. Minnesota Statutes 1982, section 256.045, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL REVIEW.] (AN APPLICANT OR RECIPIENT OR LOCAL AGENCY) *Any party who is aggrieved* by an order of the commissioner of welfare may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, and by filing the original notice and proof of service with the clerk of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the clerk of court in appeals taken pursuant to this subdivision. The commissioner may elect to become a party to the proceedings in the district court. Any party may demand that the commissioner furnish all parties to the proceedings with a copy of his decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the state welfare referee, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal.

Sec. 15. Minnesota Statutes 1983 Supplement, 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 *inpatient* hospital to one treatment episode per calendar year per recipient if the hospital is

*being reimbursed on a per episode basis or to 30 days per calendar year in a licensed hospital or certified nursing home (TO 30 DAYS) reimbursed under other methodologies unless need for extended care is certified by the attending physician and has received prior approval from the commissioner.*

Sec. 16. Minnesota Statutes 1983 Supplement, section 256.963, subdivision 2, is amended to read:

Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission until the commissioner can begin to reimburse hospitals for services under the medical assistance and general assistance medical care programs based upon a diagnostic classification system appropriate to the service populations. On July 1, 1984, the commissioner shall begin to utilize to the extent possible existing classification systems, including medicare, and to incorporate the grouping of hospitals with similar characteristics for uniform rates. Medical assistance and general assistance medical care reimbursement for treatment of mental illness shall be reimbursed based upon diagnosis classifications.

Sec. 17. Minnesota Statutes 1983 Supplement, section 256.-969, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the Administrative Procedure Act. Notwithstanding section 14.53, temporary rule authority authorized by Laws 1983, chapter 216, article 1, section 39, shall extend to August 1, 1985.

Sec. 18. Minnesota Statutes 1983 Supplement, section 256B.-06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) Who is eligible for or receiving public assistance (, OR A WOMAN WHO IS PREGNANT, AS MEDICALLY VERIFIED, AND WHO WOULD BE ELIGIBLE FOR ASSISTANCE) under the aid to families with dependent children

program (IF THE CHILD HAD BEEN BORN AND LIVING WITH THE WOMAN), the Minnesota supplemental aid program; or

(4) *Who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or*

(5) Who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

((5)) (6) Who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and (IS IN NEED OF MEDICAL ASSISTANCE) *who meets the other eligibility requirements of this section; or*

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

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

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

((9)) (10) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his (DWELLING PLACE) *primary place of residence, together with the contiguous land upon which it is situated (AND AN AREA NO GREATER THAN TWO CONTIGUOUS LOTS IN A PLATTED OR LAID OUT CITY OR TOWN OR 80 CONTIGUOUS ACRES IN UNPLATTED LAND. OCCUPANCY OR EXEMPTION SHALL BE DETERMINED AS PROVIDED IN CHAPTER 510 AND APPLICABLE LAW, INCLUDING CONTINUING EXEMPTION BY FILING NOTICE UNDER SECTION 510.07). The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real*

estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price (OR UNLESS SALE OF THE REAL ESTATE WOULD NET AN INSIGNIFICANT AMOUNT OF INCOME APPLICABLE TO THE FAMILY'S NEEDS,) or unless the commissioner determines that sale of the real estate would cause undue hardship; and

((10)) (11) Who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

((11)) (12) Who has or anticipates receiving an annual income not in excess of (\$2,600 FOR A SINGLE PERSON, OR \$3,250 FOR TWO FAMILY MEMBERS (HUSBAND AND WIFE, PARENT AND CHILD, OR TWO SIBLINGS), PLUS \$625 FOR EACH ADDITIONAL LEGAL DEPENDENT) *the income standards by family size used in the aid to families with dependent children program*, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

((12)) (13) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical

need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care (AND SHALL SEEK A WAIVER FROM FEDERAL REGULATIONS WHICH ESTABLISH THE AMOUNT REQUIRED TO BE CONTRIBUTED BY EITHER SPOUSE WHEN ONE SPOUSE IS A NURSING HOME RESIDENT); and

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

Sec. 19. Minnesota Statutes 1982, section 256B.17, as amended by Laws 1983, chapter 312, article 5, sections 20, 21, 22, 23, and 24, is amended to read:

256B.17 [TRANSFERS OF PROPERTY.]

Subdivision 1. [TRANSEERS FOR LESS THAN MARKET VALUE.] In determining the resources of an individual and an eligible spouse, there shall be included any resource or interest therein which was given away (OR), sold, or *disposed of* for less than fair market value within the 24 months preceding application for medical assistance or during the period of eligibility.

Subd. 2. [PRESUMPTION OF PURPOSE.] Any transaction described in subdivision 1 shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance under this chapter unless the individual or eligible spouse furnishes convincing evidence to establish that the transaction was exclusively for another purpose.

Subd. 3. [RESOURCE VALUE.] For purposes of subdivision 1, the value of the resource or interest shall be the fair market value at the time it was *given away*, sold, or (GIVEN AWAY) *disposed of*, less the amount of compensation received.

Subd. 4. [PERIOD OF INELIGIBILITY.] For any uncompensated transfer, the period of ineligibility shall be cal-

culated by dividing the *uncompensated* transferred amount by the statewide average monthly skilled nursing facility per diem for the previous calendar year to determine the number of months of ineligibility. The individual shall remain ineligible until this fixed ineligibility period has expired (, SUBJECT TO THE EXCLUSIONS CONTAINED IN SECTION 256B.06, SUBDIVISION 1). *The period of ineligibility may exceed 24 months, and a reapplication for benefits after 24 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired.*

Subd. 5. [(EXCLUSIONS FOR HOMESTEAD TRANSFERS) EXCLUDED RESOURCES.] (NOTWITHSTANDING SUBDIVISION 4, AN INDIVIDUAL SHALL NOT BE INELIGIBLE IF THE TRANSFERRED PROPERTY IS A HOMESTEAD AS DEFINED BY SECTION 256B.06, SUBDIVISION 1, AND ONE OF THE FOLLOWING CONDITIONS APPLIES:) *Except for the limitations contained in subdivision 6, a resource which is transferred while otherwise excluded under sections 256B.06 and 256B.07 shall not be considered an available resource for purposes of medical assistance eligibility. This exception shall not apply to applicants for or recipients of general assistance medical care benefits under chapter 256D.*

Subd. 6. [PROHIBITED TRANSFERS OF EXCLUDED RESOURCES.] *Any individual who is an inpatient in a skilled nursing facility or an intermediate care facility who, at any time during or after the 24-month period immediately prior to application for medical assistance, disposed of a homestead for less than fair market value shall be ineligible for medical assistance in accordance with subdivisions 1 to 4. An individual shall not be ineligible for medical assistance if one of the following conditions applies to the homestead transfer:*

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the (HOME) homestead was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the (HOME) homestead at fair market value or for other valuable consideration; or

(4) the local agency determines that denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

Subd. (6) 7. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 to (5) 6, an

institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to his or her non-institutionalized spouse without loss of eligibility if all of the following conditions apply:

(a) The noninstitutionalized spouse is not applying for or receiving assistance;

(b) The noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;

(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets; and

(d) The transfer may be effected only once, at the time of initial medical assistance application.

Subd. (7) 8. [CONFORMANCE WITH FEDERAL LAW.] Notwithstanding the other provisions of this section, uncompensated property transfers shall be treated no more restrictively than allowed by federal law.

(SUBD. 8. [EFFECTIVE DATE.] SUBDIVISIONS 5, 6, AND 7, AND THE CHANGES IN SUBDIVISION 4 MADE BY LAWS 1983, CHAPTER 312, ARTICLE 5, SECTION 20 APPLY TO TRANSFERS MADE ON OR AFTER JUNE 10, 1983, REGARDLESS OF THE INDIVIDUAL'S STATUS IN RELATION TO ELIGIBILITY FOR MEDICAL ASSISTANCE.)

Sec. 20. Minnesota Statutes 1982, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. [DIVISION OF COST.] The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility.

For counties where health maintenance organizations are under contract to the state to provide services to medical assistance recipients, the division of the nonfederal share of medical assistance expenses for payments made to health maintenance organizations in the form of prepaid capitation payments, this

division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

State contracts with health maintenance organizations shall assure medical assistance recipients of at least the comprehensive health maintenance services defined in section 62D.02, subdivision 7. The contracts shall require health maintenance organizations to provide information to the commissioner concerning the number of people receiving services, the number of encounters, the type of services received, evidence of an operational quality assurance program pursuant to section 62D.04 and information about utilization. (PERSONS WHO BECOME ELIGIBLE FOR MEDICAL ASSISTANCE AFTER JULY 1, 1982 AND WHO CHOOSE TO RECEIVE SERVICES FROM A HEALTH MAINTENANCE ORGANIZATION UNDER CONTRACT TO THE STATE PURSUANT TO THIS SECTION SHALL BE GUARANTEED SIX MONTHS MEDICAL ASSISTANCE ELIGIBILITY.)

(THE COMMISSIONER OF PUBLIC WELFARE SHALL SEEK A WAIVER TO CHARGE A COINSURANCE FEE TO RECIPIENTS OF MEDICAL ASSISTANCE WHO BECOME ELIGIBLE FOR MEDICAL ASSISTANCE BENEFITS AND WHO CHOOSE NOT TO RECEIVE THE BENEFITS OF A HEALTH MAINTENANCE ORGANIZATION CONTRACTED FOR BY THE STATE PURSUANT TO THIS SECTION. THE COINSURANCE FEE SHALL BE LIMITED TO THE MAXIMUM MONTHLY CHARGE ALLOWED BY 42 CFR, SECTIONS 447.50 TO 447.59, AS AMENDED THROUGH DECEMBER 31, 1981. THE LOCAL WELFARE AGENCY MAY WAIVE THE COINSURANCE FEE WHEN IT DETERMINES THAT THE MEDICAL NEEDS OF THE RECIPIENT WOULD NOT BE BEST SERVED BY ENROLLMENT IN A HEALTH MAINTENANCE ORGANIZATION. THE COINSURANCE FEE SHALL BE CHARGED ONLY TO RECIPIENTS WHO BECOME ELIGIBLE FOR MEDICAL ASSISTANCE AFTER THE COMMISSIONER HAS REPORTED TO THE LEGISLATURE REGARDING THE PROPOSED METHOD OF IMPLEMENTING THIS PARAGRAPH) *Persons who become eligible for medical assistance after July 1, 1984, who are not participating in any medicaid demonstration project as defined under sections 256B.70 and 256B.71, and who choose at the time of application for assistance to receive services from a health maintenance organization, shall be guaranteed six months of coverage by a state contracted health maintenance organization if the recipient remains in the health maintenance organization from the time of initial enrollment. The continued eligibility guarantee shall not be granted when ineligibility for medical assistance is due to death, loss of state or county residency, failure to respond to the county's efforts to contact the recipient, failure to locate the recipient, or when the recipient is eligible for continued eligibility as defined in section 256B.062.*



**Sec. 21. [CONTRIBUTION OF NONINSTITUTIONALIZED SPOUSE.]**

*The commissioner of public welfare shall adjust the schedule for determining the contribution required from the noninstitutionalized spouse of a resident or patient of a nursing home or hospital to reflect an increase of at least 50 percent in the cost of living of the noninstitutionalized spouse and shall provide for subsequent periodic adjustments to reflect future increases.*

**Sec. 22. [EFFECTIVE DATE.]**

*Sections 10 to 18, 20, and 21 are effective July 1, 1984. Section 19 is effective for all transfers which occur on or after the effective date of this act, or which took place within 24 months preceding the effective date of this act."*

Delete the title and insert:

**"A bill for an act relating to public welfare; providing for the Health Care Cost Information Act; requiring reporting and collection of care cost information; limiting medical assistance and providing appeal rights for former recipients of public assistance; limiting medical assistance and general assistance reimbursements for chemical dependency treatment; extending temporary rulemaking authority for prospective payments for inpatient hospital services; expanding medical assistance eligibility for certain persons; eliminating the requirement that the commissioner seek a co-payment waiver for HMO enrollees under medical assistance; clarifying existing language; requiring a cost-of-living adjustment to the schedule of contribution of a noninstitutionalized spouse; amending Minnesota Statutes 1982, sections 144.695; 144.696; 144.698; 144.699; 144.701; 144.702; 144.703; 256.045, subdivisions 2, 4, 5, and 7; 256B.17, as amended; 256B.19, subdivision 1; Minnesota Statutes 1983 Supplement, sections 256.045, subdivision 3; 256.968; 256.969, subdivisions 2 and 6; and 256B.06, 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.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1971, A bill for an act relating to health; removing the requirement of application for a federal waiver for services for the mentally retarded; repealing Minnesota Statutes 1983 Supplement, sections 252.28, subdivision 4; 252.291; 256B.092;

256B.501, subdivisions 1, 4, and 10; 256B.503; and Laws 1983, chapter 312, article 9, sections 10 and 11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [246.023] [INTERAGENCY BOARD.]

*Subdivision 1. [LEGISLATIVE POLICY.] It is recognized that closure and consolidation of state hospitals have negative economic effects upon public employees and communities. It is the policy of the state that deinstitutionalization policies shall be carried out in a manner that ensures fair and equitable arrangements to protect the interests of employees and communities affected by deinstitutionalization of state hospitals.*

*Subd. 2. [INTERAGENCY BOARD.] There is established an interagency board to be known as the deinstitutionalization and economic impact planning board. The board shall consist of the following members: the commissioners of public welfare, administration, employee relations, economic security, energy and economic development; the director of the state planning agency; and other appropriate agency heads. The board shall be directed by the director of the state planning agency with assistance from the commissioner of public welfare in consultation with the other agency heads.*

*Subd. 3. [STUDY.] A comprehensive study shall be conducted by the interagency board to provide information on topics to include, but not be limited to, the following:*

*(1) projected displacement of state hospital employees because of deinstitutionalization by number, location, and job classification;*

*(2) the extent to which displacement can be mitigated through attrition, retirement, retraining, and transfer;*

*(3) the development of cooperative arrangements between the state and local units of government in the carrying out of these goals;*

*(4) the necessary changes in the biennial budget to effect any fiscal and policy recommendations of the plan;*

*(5) the necessary interagency agreements among and between appropriate departments and agencies as needed to effect the recommendations contained in the plan;*

*(6) the energy efficiency of all state hospital buildings.*

*Notwithstanding the provisions of sections 13.43, subdivisions 1 to 4, and 13.46, subdivision 2, the state planning agency shall, for purposes of the study required by this subdivision, have access to private personnel data and private client data as necessary.*

*Subd. 4. [PLAN.] The board shall develop a plan. The plan shall include proposals which protect the general interests of employees and communities affected by the deinstitutionalization of state hospitals, including proposals that attempt to preserve employment rights and benefits, provide training and retraining of employees and, to the extent possible, promote the employment of these employees. In addition, the plan shall propose specific methods for assuring minimal impact on the economic life of communities affected by the deinstitutionalization of state hospitals. The plan shall provide specific direction with respect to the following:*

*(1) retention of collective bargaining agreements including seniority, vacation, health insurance and other contractual benefits, and pension rights;*

*(2) maximum utilization of state hospital employees in the provision of noninstitutional services;*

*(3) negotiated agreements with exclusive representatives addressing job security issues, where deinstitutionalization causes displacement of employees;*

*(4) development, under a single system of standards including but not limited to licensure and reimbursement, of noninstitutional, state-operated or nonstate-operated services for the mentally retarded, including community-based intermediate care facilities for the mentally retarded, supported living arrangements, semi-independent living arrangements, day activity services, and other services;*

*(5) methods for ensuring that staff displaced by termination of programs at state hospitals are utilized to provide needed services within the continuum of care for individuals;*

*(6) alternative use of state hospital facilities made available by program closures;*

*(7) community retraining options for displaced personnel;*

*(8) methods for involving the following groups in the planning process: parents and guardians of hospital residents, community business and economic leaders, advocates, community providers, units of local government, and affected exclusive representatives; and*

(9) preparation of an economic impact statement and alternative economic development strategies for each state hospital region likely to be affected by deinstitutionalization of state hospitals.

*Subd. 5. [REPORT; IMPLEMENTATION.] The inter-agency board shall complete both the study required under subdivision 3 and the plan required under subdivision 4, on or before January 1, 1985, and shall present them to the legislative commission on long-term health care before February 1, 1985. Board members shall, to the extent possible, propose legislation for program implementation based upon the plan.*

## **Sec. 2. [LEGISLATIVE COMMISSION ON LONG-TERM CARE.]**

*Subdivision 1. [DUTIES OF THE COMMISSION.] The legislative commission on long-term health care authorized by Laws 1983, chapter 199, section 17, shall:*

*(a) monitor the deinstitutionalization of state hospitals in accord with the plan developed pursuant to section 1;*

*(b) study the impact of state hospital deinstitutionalization on affected communities;*

*(c) ensure that displaced state hospital employees are provided opportunities for reemployment or retraining;*

*(d) evaluate the comparative costs to the state of institutional and noninstitutional care for mentally retarded persons.*

*Subd. 2. [REPORTING.] The commission shall report its findings and recommendations on the topics specified in subdivision 1 to the governor and the legislature, on an ongoing basis, and shall issue a final report not later than January 1, 1986.*

## **Sec. 3. [APPROPRIATIONS.]**

*Subdivision 1. The sum of \$250,000 is appropriated from the general fund to the director of state planning for the purposes of implementing section 1.*

*This sum is available until June 30, 1985.*

*Subd. 2. The sum of \$50,000 is appropriated from the general fund to the legislative commission on long-term health care for purposes of implementing section 2.*

*This sum is available until June 30, 1985.*

## Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to state hospitals; establishing an interagency board to develop and implement a plan to protect state hospital employees and communities affected by deinstitutionalization policies; authorizing the legislative commission on long-term health care to study certain topics; appropriating money; proposing new law coded in Minnesota Statutes, chapter 246."*

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1975, A bill for an act relating to transportation; allowing entire portions of former trunk highways to revert to counties under certain circumstances; amending Minnesota Statutes 1982, section 161.16, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 17, after "highway" insert *"unless the commissioner, the road authority originally charged with the care of the trunk highway and the road authority of the political subdivision in which the portion is located agree on another disposition, in which case the reversion is as provided in the agreement"*

Page 2, after line 22, insert:

"Sec. 2. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 236.]

*Subdivision 1. [ROUTE DISCONTINUED.] Route No. 236 as contained and described in section 161.115, is discontinued and removed from the trunk highway system.*

*Subd. 2. [REVISOR INSTRUCTION.] In compiling the Minnesota Statutes, the revisor of statutes shall delete the route specified in subdivision 1."*

Page 2, line 24, delete *"This act"* and insert *"Section 1"* and after the period insert *"Section 2 is effective upon certification*

*by the commissioner of transportation to the Traverse county board that the regrading and surfacing of the roadway has been completed, at which time it shall become a part of the county road system of Traverse county."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert "discontinuing a trunk highway route;"

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. 1985, A bill for an act relating to occupations and professions; regulating the licensing of salons for estheticians; amending Minnesota Statutes 1982, section 155A.08, subdivision 2.

Reported the same back with the recommendation that the bill pass and 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. 1987, A bill for an act relating to public employees; providing standards for certain disciplinary actions; amending Minnesota Statutes 1982, section 626.557, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 43A.33, is amended by adding a subdivision to read:

*Subd. 2a. [ABUSE.] In an arbitration or hearing proceeding involving discipline of an employee for abusing a resident of a state hospital or a state nursing home, "abuse" includes but is not limited to:*

(1) *conduct which constitutes abuse under policies or procedures adopted by state hospitals or state nursing homes;*

(2) *any act which constitutes a violation under sections 609.221 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345; or*

(3) *the intentional and nontherapeutic infliction of physical pain or injury or any persistent course of conduct intended to produce mental or emotional distress."*

Amend the title as follows:

Page 1, line 4, delete "626.557" and insert "43A.33"

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. 1991, A bill for an act relating to government operations; regulating public employee leave of absences; providing for task force member's compensation; providing for civil service exams for handicapped persons; authorizing the commissioner of employee relations to negotiate insurance premium rates; providing for appeals of disciplinary actions; providing for unclassified positions; amending Minnesota Statutes 1982, sections 15.014, subdivision 2; 15.0593; 43A.08, subdivision 1; 43A.33, subdivisions 1 and 3; Minnesota Statutes 1983 Supplement, sections 43A.08, subdivision 1a; 43A.10, subdivision 8; 43A.23, subdivision 1; and 116L.03, subdivision 6; repealing Minnesota Statutes 1982, section 15.62.

Reported the same back with the following amendments:

Page 9, delete lines 5 and 6 and insert:

"Sec. 10. Minnesota Statutes 1982, section 15.62, subdivision 2, is amended to read:

Subd. 2. A public employee who qualifies as a member of the United States team for athletic competition (ON THE WORLD, PAN AMERICAN OR OLYMPIC LEVEL, IN A SPORT CONTESTED IN EITHER PAN AMERICAN OR OLYMPIC COMPETITIONS,) *in a sport sanctioned by the International Olympic Committee* shall be granted a leave of absence without loss of pay or other benefits or rights for the purpose of preparing for and engaging in the competition. In no event shall the paid leave

under this section exceed the period of the official training camp and competition combined or 90 calendar days a year, whichever is less."

Amend the title as follows:

Page 1, line 10, after "15.0593;" insert "15.62, subdivision 2;"

Page 1, line 14, delete everything after "6"

Page 1, line 15, delete "section 15.62"

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. 1992, A bill for an act relating to economic development; establishing a Minnesota convention facility commission; requiring the commission to report to the governor and legislature a proposal for the construction, operation, promotion, and financing of a Minnesota convention facility; appropriating money.

Reported the same back with the following amendments:

Page 2, line 2, after the period insert "*There shall be one member who resides in each congressional district in the state.*"

Page 2, line 30, after the period insert "*The commission shall consider but not be limited to expansion and conversion of existing facilities.*"

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. 2006, A bill for an act relating to game and fish; authorizing reciprocity with Wisconsin in the purchase and sale of annual hunting and fishing licenses; proposing new law coded in Minnesota Statutes, chapter 98.

Reported the same back with the following amendments:



Page 1, after line 17, insert:

*"The commissioner of natural resources in Minnesota and Wisconsin must agree on joint standards for defining real property ownership. The joint standards shall be presented to the standing committees in the house and senate with jurisdiction over natural resources."*

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 2021, A bill for an act relating to motor fuels; prohibiting lead compounds and EDB additives in gasoline; amending Minnesota Statutes 1982, section 296.05, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 6 to 12 and insert:

*"Whereas, the major ongoing source of new lead added to the environment of Minnesota is the combustion of leaded gasoline by automobiles; and*

*Whereas, lead from gasoline is a major contributor to the level of lead in children and adults in Minnesota; and*

*Whereas, because lead is a poison that damages the central nervous system its presence in the environment is a major health hazard affecting Minnesota children, especially central city children, resulting in learning disabilities, behavioral problems, and mental retardation; and*

*Whereas, the presence of lead in the environment of Minnesota also affects the human reproductive and blood-forming systems; and*

*Whereas, lead has been allowed to accumulate in the environment of Minnesota, especially in the central cities, to clearly unacceptable levels; Now, Therefore,*

*Be It Resolved* by the Legislature of the State of Minnesota that the Environmental Protection Agency adopt rules for the immediate and total ban of leaded gasoline. In adopting these rules, the Environmental Protection Agency should consider

appropriate exclusions from this ban for trucks and farm vehicles.

*Be It Further Resolved* that in the alternative, Congress should speedily enact legislation to amend the federal Clean Air Act to either prohibit leaded gasoline or permit the states to ban leaded gasoline.

*Be It Further Resolved*, that the Secretary of State of the State of Minnesota be directed to transmit certified copies of this resolution to the director of the United States Environmental Protection Agency and to the Minnesota Congressional delegation."

Delete the title and insert:

"A resolution memorializing the United States Environmental Protection Agency to adopt rules for a ban on leaded gasoline, and memorializing the Congress of the United States to enact legislation either prohibiting leaded gasoline or allowing the states to prohibit it."

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

The report was adopted.

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

H. F. No. 2022, A bill for an act relating to economic security; clarifying the emergency employment development jobs program; regulating the payment of cash allowances; amending Minnesota Statutes 1983 Supplement, sections 256D.111, subdivision 2; 256D.112; 268.80; and 268.81.

Reported the same back with the following amendments:

Page 2, line 34, delete "*welfare*"

Page 2, line 36, delete "*of public welfare*"

Page 3, line 5, after "*employment*" insert a comma

Page 3, line 7, delete "*of public welfare*"

Page 3, line 8, before "A" insert "*The exemption of*"

Page 3, line 8, delete "*exempt under clause*" and insert "*described in clause*"

Page 4, line 28, delete "*employment*"

Page 5, line 10, delete "*payments*"

Page 5, line 11, after the first "*of*" insert "*a*"

Page 5, line 12, delete "*payment*"

Page 5, line 12, after "*include*" insert "*a written*"

Page 5, line 13, delete "*meets the general*"

Page 5, delete lines 14 to 16

Page 5, line 17, delete "*if the person has applied*" and insert "*applies*"

Page 5, line 19, after "*allowance*" insert "*, the person shall be deemed eligible for general assistance, and shall be paid general assistance to cover the period immediately following the period covered by the allowance*"

Page 6, line 20, delete "*cash*"

Page 6, line 21, delete "*a cash*" and insert "*an*"

Page 6, line 23, delete "*payment*"

Page 6, line 23, after "*a*" insert "*written*"

Page 6, line 24, delete "*meets the general*"

Page 6, delete lines 25 to 27

Page 6, line 28, delete "*if the person has applied*" and insert "*applies*"

Page 6, line 30, after "*allowance*" insert "*, the person shall be deemed to be eligible for general assistance, and shall be paid general assistance to cover the period immediately following the period covered by the allowance*"

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. 2023, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating or transferring certain filings; providing for uniform standards for the filing of names of limited partnerships, corporations, cooperatives, and assumed names and marks; eliminating the requirement of publication after incorporation; shifting the time of publication of certificate of assumed name; providing for the filing and enforcement of security interests; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the modification in bylaws of a certain provision relating to the voting power of shares; providing a time limit on claims to shareholders; delaying the effective date of the corporate registration requirement; amending Minnesota Statutes 1982, sections 35.14; 62C.06, subdivision 3; 62G.08, subdivision 2; 66A.08, subdivision 4; 72A.43, subdivisions 1 and 2; 121.212, subdivision 3; 169.966, subdivision 7; 272.483; 297.04, subdivision 3; 302A.111, subdivisions 2 and 3; 302A.115, subdivision 1; 302A.131; 302A.445, subdivision 3; 302A.729, subdivisions 1 and 2; 302A.733, subdivision 2; 303.06, subdivision 1; 303.13, subdivisions 1 and 3; 303.17, subdivision 3; 315.15; 315.20, subdivisions 2 and 3; 315.23, subdivision 2; 315.32; 315.365, subdivision 2; 317.09, subdivision 2; 318.02, subdivision 1; 322A.02; 322A.86; 325D.67, subdivisions 5 and 6; 331.02, subdivision 1; 333.001, subdivisions 3 and 4; 333.01; 333.02; 333.035; 333.055, subdivision 1; 333.06; 333.19, subdivision 1; 333.21, subdivision 1; 336.9-402; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 362A.01, subdivision 1; 365.46; 379.05; 507.10; 540.152; 543.08; Minnesota Statutes 1983 Supplement, sections 53.03, subdivisions 5 and 6; 300.083, subdivision 6; 302A.521, subdivision 6; 336.9-401; 507.09; and 648.39, subdivision 1; Laws 1981, chapter 270, section 144; repealing Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2.

Reported the same back with the following amendments:

Pages 2, 3, and 4, delete sections 2 and 3

Page 62, line 17, delete "64" and insert "62"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 36, delete "53.03, subdivisions 5 and 6;"

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. 2038, A bill for an act relating to local government; providing procedures for making certain contracts; amending Minnesota Statutes 1983 Supplement, section 471.345, subdivision 5.

Reported the same back with the following amendments:

Page 1, lines 16 and 17, delete section 2

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2051, A bill for an act relating to agriculture; authorizing the energy and economic development authority to purchase, make, or participate in farm loans and to issue bonds or notes for this purpose; amending Minnesota Statutes 1983 Supplement, section 116J.88, subdivisions 7 and 7a; 116J.90, subdivisions 1 and 3; and proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2052, A bill for an act relating to public welfare; providing for the recoupment and set-off of overpayments in the general assistance program; extending the right of a welfare agency to reimbursement for medical assistance paid by other sources to a recipient of Minnesota supplemental aid; placing the primary reimbursement on the recipient; amending Minnesota Statutes 1982, section 256D.06, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 256D.06, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 22, after the period insert *"For any month in which an overpayment is to be recovered, recoupment may be*

*made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the applicable standard of assistance for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the applicable standard of assistance."*

Page 2, line 2, delete everything after the period

Page 2, delete lines 3 to 5

Pages 2 and 3, delete section 2 and insert:

**"Sec. 2. [256D.43] [RECOVERIES OF SUPPLEMENTAL AID UNDER INTERIM ASSISTANCE AGREEMENTS.]**

*Any applicant, otherwise eligible for supplemental aid and possibly eligible for maintenance benefits from any other source shall (a) make application for those benefits within 30 days of the supplemental aid application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which supplemental aid is also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of supplemental aid paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. Reimbursement may be sought directly from the other source of maintenance income but shall remain the primary obligation of the recipient. The commissioner shall adopt rules, and may adopt temporary rules, in accordance with chapter 14, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons to provide the 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 federal programs for the disabled. This subdivision does not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3."*

Amend the title as follows:

Page 1, line 9, delete "Minnesota Statutes"

Page 1, line 10, delete everything before the period and insert "proposing new law coded in Minnesota Statutes, chapter 256D"

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. 2084, A bill for an act relating to economic development; providing for economic development grants to local units of government; appropriating money.

Reported the same back with the following amendments:

Page 1, line 22, after "*communities*" insert "*and recognized Indian tribal governments*"

Page 1, line 24, before the period, insert "*, except that all units of general purpose local government shall be eligible applicants for economic recovery grants*"

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. 2085, A bill for an act relating to economic development; clarifying provisions relating to the export finance authority; amending Minnesota Statutes 1983 Supplement, sections 17.104, by adding a subdivision; and 17.105, subdivisions 1, 3, 4, and 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2087, A bill for an act relating to health; requiring disclosure of certain medical data or medical information for

the purpose of a lawful investigation; amending Minnesota Statutes 1982, sections 13.42, subdivision 2; 144.335; and 254A.-09.

Reported the same back with the following amendments:

Page 1, line 25, after "information" insert "*, upon written request,*"

Page 3, line 17, delete "*Directory*"

Page 3, delete lines 18 and 19

Page 3, line 20, delete "*this subdivision.*" and insert "*Providers defined in subdivision 1, clause (b)(2) who are not public hospitals as described in section 13.42, subdivision 2, shall not release directory information without consent of the patient, except as provided in this subdivision.*"

Page 3, line 26, after "information" insert "*, upon written request,*"

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. 2093, A bill for an act relating to tax court judges; permitting retired tax judges to serve on the tax court; amending Minnesota Statutes 1982, section 271.01, by adding a subdivision.

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. 2096, A bill for an act relating to state government; establishing the world trade center board and fixing its duties; transferring functions from the department of agriculture; amending Minnesota Statutes 1982, section 17.03, by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 44A; repealing Minnesota Statutes 1983 Supplement, section 17.106.



Reported the same back with the following amendments:

Page 1, line 25, delete "11" and insert "*seven voting members and four legislators serving as ex officio, nonvoting*"

Page 1, line 25, delete "Three" and insert "Five"

Page 2, line 7, delete "three" and insert "five"

Page 2, line 8, delete "four" and insert "two"

Page 2, line 12, delete "*under the rules of the house*"

Page 2, line 13, delete "*of representatives*" and insert "*by the speaker*"

Page 2, line 30, delete "*knowledgeable in the field of*" and insert "*familiar with the*"

Page 2, line 30, delete "trade" and insert "*business community,*"

Page 2, line 31, after "in" insert "*communications skills,*" and delete "the"

Page 2, line 32, delete "*of programs relating to international trade*" and insert "*, and public and private joint ventures*"

Page 3, line 20, after the period insert "*Any gift received by a member or employee of the board in their official capacity, which has a retail value of more than \$50, becomes the property of the state.*"

Page 3, line 34, after the first semicolon insert "*telecommunications services;*"

Page 4, line 30, before "The" add "*Four unclassified positions in the department of agriculture are transferred to the world trade center board under Minnesota Statutes, section 15.039. Effective July 1, 1985,*"

Page 4, line 32, delete "*and the duties of the world trade center council*" and insert "*and ten classified positions*"

Page 4, line 33, after "under" insert "*Minnesota Statutes,*"

Page 4, line 34, delete everything after "board."

Page 4, delete line 35 and insert "*The department of agriculture shall cooperate fully with the board until this transfer is accomplished.*"

## Sec. 10. [GOVERNOR'S COUNCIL.]

*The governor's council on the world trade center has all the powers granted to the board in this act until the entire board has been appointed."*

Page 5, line 4, before the period insert "*, with the exception that section 11 is effective July 1, 1985*"

Renumber the sections in sequence

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. 2124, A bill for an act relating to agriculture; authorizing the commissioner to use certain funds for short-term loans to help participants meet their family farm security loan obligations; amending Minnesota Statutes 1982, section 41.56, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2141, A bill for an act relating to commerce; modifying the definition of "franchise" for purposes of franchise regulation; amending Minnesota Statutes 1982, section 80C.01, subdivision 4.

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. 2150, A bill for an act relating to newspapers; making certain publications legal newspapers; proposing new law coded in Minnesota Statutes, chapter 331.

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. 2160, A bill for an act relating to public employment labor relations; recodifying the public employment labor relations act; proposing new law coded as Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1982, sections 179.61 to 179.76, as amended.

Reported the same back with the following amendments:

Page 1, line 11, after the period insert "*The intent of this act is to eliminate obsolete and redundant language, arrange the provisions governing public sector labor relations in a more logical order, and make the law easier to read and understand.*"

Page 2, line 29, delete "section" and insert "sections" and after "179A.09" insert "to 179A.11"

Page 6, line 18, delete ", for a period of more than 30"

Page 6, line 19, delete "working days, a" and insert "an absent"

Page 6, line 20, after "employee" insert ", where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member"

Page 6, line 27, delete "179A.22" and insert "179A.10 for executive branch employees"

Page 9, line 18, after "for" insert "interest"

Page 9, line 31, after "all" insert "decisions of"

Page 9, line 36, delete "3" and insert "4"

Page 12, line 22, delete "other"

Page 12, line 28, delete "*supervisory essential employees*" and insert "*supervisors*"

Page 12, line 28, after "*are*" insert ":(1) *firefighters, peace officers subject to licensure under sections 626.84 to 626.855, guards at correctional facilities, or employees at hospitals other than state hospitals; and (2)*"

Page 15, line 7, delete "*employed*"

Page 15, line 36, delete "20" and insert "19"

Page 21, line 33, delete "*their*" and insert "*its*"

Page 29, line 1, delete "BINDING" and insert "INTEREST"

Page 29, line 1, delete "FOR NONESSENTIAL"

Page 29, line 2, delete "EMPLOYEES"

Page 29, line 3, delete "INTEREST ARBITRATION" and insert "NONESSENTIAL EMPLOYEES"

Page 29, line 18, delete "BINDING ARBITRATION PETITIONS FOR"

Page 30, line 10, after "*certified*" insert "*to*"

Page 30, line 19, delete the last "*or*"

Page 30, line 20, delete "*regulations*"

Page 30, line 20, after the first comma insert "*or*"

Page 30, line 20, delete the last "*municipal*"

Page 30, line 21, delete "*municipal*"

Page 30, line 21, delete "*which*" and insert "*, provided that the rules, charters, ordinances, and resolutions*"

Page 31, line 13, delete "*For supervisory employees,*"

Page 31, delete lines 14 to 17

Page 31, line 18, delete "*to the panel.*"

Page 37, after line 12, insert:

"Subd. 2. [NO CONTRACT PROVISIONS CONTRARY TO LAW.] *No provision of a contract shall be in conflict with:*

(1) *the laws of Minnesota; or*

(2) *rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, and resolutions are consistent with this chapter."*

Renumber the subdivisions in sequence

Page 38, line 28, delete "*the chairman*"

Page 38, line 29, delete the first "*of*"

Page 42, line 8, delete the last "*4*" and insert "*5*"

Page 42, line 11, delete the last "*3*" and insert "*4*"

Page 42, line 15, delete the last "*3*" and insert "*4*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 2172, A bill for an act relating to transportation; highways; modifying restrictions on loading of vehicles driven on highways; amending Minnesota Statutes 1982, section 169.81, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 11, reinstate the stricken comma

Page 1, line 12, delete the new language

Page 1, line 17, after the period insert "*A vehicle carrying a load of split firewood which protrudes above the sides of the truck or trailer must be securely covered or fastened.*"

Page 1, line 19, after "produce" insert "*other than split firewood*"

Amend the title as follows:

Page 1, line 2, delete "modifying"

Page 1, delete line 3

Page 1, line 4, delete "highways" and insert "requiring certain loads of firewood to be securely covered or fastened"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2182, A bill for an act relating to agriculture; changing certain duties of the commissioner; changing certain reporting requirements concerning agricultural land ownership; exempting the family farm security program from certain loan commitment approval requirements; amending Minnesota Statutes 1982, sections 21.118; 500.221, subdivision 2a; 500.24, subdivision 4; and Minnesota Statutes 1983 Supplement, sections 16A.80, subdivision 2; and 500.221, subdivision 4.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1982, section 29.27, is amended to read:

29.27 [RULES.]

The department may supervise, regulate, and, in the manner provided by law (MAKE REASONABLE) *adopt temporary or permanent* rules (AND REGULATIONS) relative to grading, candling, cleaning, breaking, purchasing, and selling of eggs and egg products for purpose of preserving and protecting the public health. In addition hereto, it is the express purpose herein that inasmuch as the breaking of eggs for re-sale is a matter of state concern, the surroundings in which such product is handled should be maintained in a sanitary condition, and, therefore, the department may establish, in the manner provided by law, (REASONABLE) rules (AND REGULATIONS) relative to the inspection of all establishments wherein the business of breaking eggs for re-sale is maintained, and when the sanitary conditions of any such establishment are such that the product is rendered, or is likely to be rendered, unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human consumption, it may revoke such license to break eggs for re-sale until such time as the department is satisfied that the establishment is maintained in a sanitary condition. The department shall have the right, from time to time, to adopt different rules (AND REGULATIONS) in the same manner as herein set forth. All liquid, frozen or dried egg products sold or offered for sale shall be processed under continuous supervision of an inspector of

the department or of the United States department of agriculture.

Sec. 4. Minnesota Statutes 1982, section 31.11, is amended to read:

31.11 [RULES (AND REGULATIONS).]

For the purpose of preventing fraud and deception in the manufacture, use, sale, and transportation of food, or for the purpose of protecting and preserving the public health, it shall also be the duty of the commissioner to (MAKE AND PUBLISH UNIFORM) *adopt temporary or permanent* rules (AND REGULATIONS), not inconsistent with law, for carrying out and enforcing the provisions of laws now or hereafter enacted relating to food; which rules (AND REGULATIONS) shall be made in the manner provided by law. Until such rules (AND REGULATIONS) are made and published, the rules (AND REGULATIONS) heretofore made by the commissioner shall remain in full force and effect, except as otherwise prescribed by law. Any person who shall manufacture, use, sell, transport, offer for use, sale or transportation, or have in possession with intent to use, sell or transport, any article of food contrary to the provisions of any such rule (OR REGULATION), or who shall fail to comply with any such rule (OR REGULATION), shall be guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1982, section 31A.08, is amended to read:

31A.08 [RULES (AND REGULATIONS).]

The commissioner shall cause to be made, by experts in sanitation, or by other competent inspectors, the inspections of all slaughtering, meat canning, salting, packing, rendering, or similar establishments in which animals are slaughtered and the meat and meat food products thereof are prepared solely for intrastate commerce as may be necessary to inform himself concerning the sanitary conditions of the establishments, and to (PRESCRIBE THE) *adopt temporary or permanent* rules (AND REGULATIONS) of sanitation under which the establishments shall be maintained; and where the sanitary conditions of any establishment are such that the meat or meat food products are rendered adulterated, he shall refuse to allow the meat or meat food products to be labeled, marked, stamped, or tagged as "Minnesota Inspected and Passed".

Renumber the remaining sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon insert "29.27; 31.11; 31A.08;"

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. 2183, A bill for an act relating to health; providing counseling and educational services for sudden infant death syndrome families; requiring autopsies on victims of sudden infant death syndrome; requiring the report of sudden infant death to the registrar of vital statistics; amending Minnesota Statutes 1982, sections 144.06; 144.07; 144.222; and 390.11.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 3, line 16, delete "*The coroner or*"

Page 3, delete lines 17 to 19

Page 3, line 20, delete "*parents or guardian.*"

Page 3, line 20, delete "*the*" and insert "*an*"

Renumber sections in sequence

Amend the title as follows:

Page 1, line 7, delete "144.06;"

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. 2184, A bill for an act relating to agriculture; directing further study on the problem of stray voltage; 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.



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

H. F. No. 2196, A bill for an act relating to local government; providing for the conveyance of certain tax forfeited land in Morrison County.

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. 2241, A bill for an act relating to the operation of state government; changing the law on the administration of state finances and accounting practices; amending Minnesota Statutes 1982, sections 3.3005; 10.12; 10.14; 10.15; 11A.08, subdivision 3; 16.026, subdivisions 3 and 7; 16.80, subdivision 1; 16A.04, subdivisions 1 and 4; 16A.06; 16A.065; 16A.125, subdivision 6; 16A.13, subdivisions 1 and 2; 16A.131, subdivision 1; 16A.14, subdivision 2; 16A.28; 16A.45; 16A.53; 16A.63; 16A.64, as amended; 16A.65; 16A.66, as amended; 16A.671; 16A.675; 43A.30, by adding a subdivision; 158.07; 158.08; Minnesota Statutes 1983 Supplement, sections 16A.125, subdivision 5; 16A.15, subdivision 6; 16A.36; 16A.672; 298.296, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1982, sections 10.13; 16A.132; 16A.51; 16A.54; 16A.59; and 16A.73.

Reported the same back with the following amendments:

Page 14, line 20, delete "is" and insert "are"

Page 16, line 26, delete "is" and insert "are"

Page 19, line 29, delete the second "by"

Page 21, line 18, delete "in the manner" and insert "upon sealed bids"

Page 22, line 15, delete "him" and insert "the commissioner"

Page 24, delete lines 10 to 14

Page 36, line 5, delete "The" and insert "the"

Page 40, line 36, after the comma insert "workers' compensation cost control projects approved by the affected department head,"

Page 43, line 1, delete "commissioner" and insert "commission"

Page 43, after line 7, insert:

"Sec. 37. [116J.93] [OFFICE OF MEDICAL AND BIOLOGICAL TECHNOLOGY.]

*An office of medical and biological technology is created in the department of energy and economic development. The office shall be under the direction of an executive director appointed by the commissioner of energy and economic development. The office shall:*

*(1) coordinate the efforts of the various segments of the medical technology industry and health care delivery system;*

*(2) work with the state department of education to develop curricula and job training programs related to the jurisdiction of the office;*

*(3) initiate and continue programs of recruitment and retention of medical technology firms; and*

*(4) seek to develop international medical product shows and conferences to highlight Minnesota as a national and international medical center."*

Renumber the remaining sections

Page 43, line 16, delete "\$8,400,000" and insert "\$8,480,000"

Page 43, line 30, delete "INTERPRETATIVE" and insert "INTERPRETIVE"

Page 43, line 33, delete "Interpretative" and insert "Interpretive"

Page 44, line 5, delete "40" and insert "41"

Amend the title as follows:

Page 1, line 16, after "16A" insert "and 116J"

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:

S. F. No. 1453, A bill for an act relating to public welfare; making county of residence financially responsible for detoxification services provided to chemical dependency facility clients; amending Minnesota Statutes 1983 Supplement, section 256E.08, subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

S. F. No. 1475, A bill for an act relating to communications; permitting a municipality to be represented by its designee on a joint cable communication commission; amending Minnesota Statutes 1982, section 238.08, subdivision 5.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Beigich from the Committee on Labor-Management Relations to which was referred:

S. F. No. 1563, A bill for an act relating to labor; extending the statute of limitation on certain actions to recover wages or overtime; clarifying child labor penalties; amending Minnesota Statutes 1982, section 541.07; Minnesota Statutes 1983 Supplement, section 181A.12, subdivision 1.

Reported the same back with the following amendments:

Page 4, after line 3, insert:

"Sec. 3. Laws 1967, chapter 252, section 2, as amended by Laws 1971, chapter 683, section 1, and Laws 1983, chapter 161, section 1, is amended to read:

Sec. 2. [INDEPENDENT SCHOOL DISTRICT NO. 709; EMPLOYEES; EXCEPTIONS.] The term "employees," as used in this act, shall not include members of the school board, superintendent of schools, assistant superintendents of schools,

teachers, other employees of the school district whose positions require them to be certified pursuant to rules and regulations adopted by the state board of education, directors, administrative assistants, clerical or similar workers, *food service workers*, deputy clerk and purchasing agent, supervisors, advisors, coordinators, physicians, attorney, nurses, and temporary employees.

Sec. 4. [EFFECTIVE DATE.]

*Section 3 is effective upon compliance with Minnesota Statutes, section 645.021."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "removing food service workers from School District No. 709 civil service;"

Page 1, line 6, before the period insert "; and Laws 1967, chapter 252, section 2, as amended"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 207, 322, 427, 600, 1338, 1352, 1371, 1401, 1422, 1423, 1502, 1619, 1656, 1672, 1679, 1709, 1749, 1753, 1765, 1767, 1771, 1778, 1813, 1814, 1815, 1819, 1822, 1844, 1860, 1872, 1881, 1903, 1909, 1917, 1949, 1961, 1975, 1985, 1987, 1991, 2023, 2038, 2085, 2087, 2093, 2124, 2141, 2150, 2160, 2172, 2182 and 2196 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1757, 1127, 1139, 1453, 1475 and 1563 were read for the second time.

INTRODUCTION AND FIRST READING  
OF HOUSE BILLS

The following House Files were introduced:

Greenfield, Brandl, Wynia and Murphy introduced:

H. F. No. 2265, A bill for an act relating to public welfare: requiring licensure for adult day care facilities and supportive

living residences; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and 6, and by adding a subdivision; 245.791; and 245.802, subdivision 1, and by adding a subdivision.

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

Staten introduced:

H. F. No. 2266, A bill for an act relating to the human rights department; appropriating money to the commissioner of human rights to hire temporary staff.

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

Staten introduced:

H. F. No. 2267, A bill for an act relating to public welfare; providing for special transportation services for the blind elderly; amending Minnesota Statutes 1982, section 174.31, subdivision 3.

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

Staten introduced:

H. F. No. 2268, A bill for an act relating to dogs; limiting seizure of unlicensed dogs; amending Minnesota Statutes 1982, section 347.14.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Segal and Coleman introduced:

H. F. No. 2269, A bill for an act relating to taxation; income; conforming to federal law for treatment of contributions to individual retirement plans and other pension plans; amending Minnesota Statutes 1983 Supplement, section 290.01, subdivisions 20a and 20b.

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

Dempsey, Blatz and Piepho introduced:

H. F. No. 2270, A bill for an act relating to marriage dissolution; providing a summary dissolution procedure; proposing new law coded in Minnesota Statutes, chapter 518.

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

Segal introduced:

H. F. No. 2271, A bill for an act relating to housing; requiring a written disclosure notice to accompany the sale of homes on leased land; proposing new law coded in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

O'Connor introduced:

H. F. No. 2272, A bill for an act relating to gambling; removing the yearly total prize award limit on licensed organizations; amending Minnesota Statutes 1982, section 349.26, subdivision 15.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Riveness; Nelson, D., and Knuth introduced:

H. F. No. 2273, A bill for an act relating to landlords and tenants; increasing the interest rate paid by landlords on rental deposits; amending Minnesota Statutes 1982, section 504.20, subdivision 2.

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

Riveness, Knuth, O'Connor, Price and Hoffman introduced:

H. F. No. 2274, A bill for an act relating to landlords and tenants; allowing a tenant early termination of a rental lease under certain conditions; proposing new law coded in Minnesota Statutes, chapter 504.

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

Simoneau introduced:

H. F. No. 2275, A bill for an act relating to taxation; providing a reduced sales and use tax rate on capital equipment and construction materials used in expansion of certain facilities; amending Minnesota Statutes 1982, sections 297A.01, by adding a subdivision; and 297A.02, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 297A.14.

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

Minne, Begich, Battaglia, Eliooff and Solberg introduced:

H. F. No. 2276, A resolution memorializing Congress to enact H. R. 5081, the Fair Trade in Steel Act of 1984.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Staten introduced:

H. F. No. 2277, A bill for an act relating to economic development; augmenting the Small Business Procurement Act; amending Minnesota Statutes 1982, sections 16.06, subdivision 1; 16.081; 16.083, subdivision 2; and 16.086, subdivision 2; Minnesota Statutes 1983 Supplement, sections 16.083, subdivisions 1, 1a, 3, 4, 4a, 5, and 6; 16.084; 16.085; 16.086, subdivision 1; and 16.28; repealing Minnesota Statutes 1983 Supplement, section 16.083, subdivision 4b.

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

Solberg, Ogren and Battaglia introduced:

H. F. No. 2278, A bill for an act relating to corporations; authorizing the organization of employee cooperative corporations; regulating the organization and conduct of these corporations; proposing new law coded as Minnesota Statutes, chapter 302B.

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

Beard introduced:

H. F. No. 2279, A bill for an act relating to watercraft; requiring titling for certain vessels; regulating perfection of security interests in vessels; proposing new law coded in Minnesota Statutes, chapter 361.

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

Sparby, Eken and Tunheim introduced:

H. F. No. 2280, A bill for an act relating to employment; Minnesota Emergency Employment Development Act; clarifying a definition; providing that certain farmers may be considered unemployed; providing a waiver for use of discretionary funds; specifying use of funds; delaying the expiration date of the act; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 268.672, subdivision 6; 268.676, subdivision 2; 268.677; and 268.686.

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

Knickerbocker introduced:

H. F. No. 2281, A bill for an act relating to liens; providing for the creation, enforcement, and satisfaction or discharge of construction liens on real property; creating a homeowners construction lien recovery fund; prescribing penalties; proposing new law coded as Minnesota Statutes, chapter 514A; repealing Minnesota Statutes 1982, sections 514.01; 514.02 to 514.06; and 514.09 to 514.16; Minnesota Statutes 1983 Supplement, sections 514.011; 514.07; and 514.08.

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

Graba and Krueger introduced:

H. F. No. 2282, A bill for an act relating to public welfare; limiting the eligibility of students and clarifying eligibility standards for the state general assistance program; amending Minnesota Statutes 1982, sections 256D.02, subdivision 6, and by adding a subdivision; 256D.03, subdivision 1; 256D.05, subdivision 1; and 256D.15; Minnesota Statutes 1983 Supplement, sec-



tions 256D.01, subdivision 1; 256D.02, subdivision 4; and 256D.111, subdivision 2.

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

Kahn introduced:

H. F. No. 2283, A bill for an act relating to natural resources; allocating proceeds of sales of certain surplus state lands to a land acquisition account; appropriating money; amending Minnesota Statutes 1982, sections 84.085; 84A.53; 84A.54; and 94.16.

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

Welch; Nelson, K.; Nelson, D., and McEachern introduced:

H. F. No. 2284, A bill for an act relating to education; appropriating money to the University of Minnesota for college enrichment programs for high school and college teachers and students involved in certain programs.

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

Simoneau introduced:

H. F. No. 2285, A bill for an act relating to game and fish; exempting certain aged and disabled Minnesota residents from small game and deer license fees; amending Minnesota Statutes 1982, section 98.47, by adding a subdivision.

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

Redalen and Johnson introduced:

H. F. No. 2286, A bill for an act relating to taxation; property; changing the state school agricultural credit; changing the property tax treatment of homesteads; repealing rent capitalization method of valuing agricultural land; amending Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; and 273.13, subdivisions 4, 6, and 7; repealing Minnesota Statutes 1983 Supplement, section 273.11, subdivision 7.

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

Rice and Begich introduced:

H. F. No. 2287, A bill for an act relating to labor; prohibiting the use of strikebreakers by public employers; amending Minnesota Statutes 1982, section 179.01, subdivision 3.

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

Welch introduced:

H. F. No. 2288, A bill for an act relating to public welfare; specifying the composition and duties of the advisory council for the developmentally disabled; amending Minnesota Statutes 1983 Supplement, section 252.31.

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

### CONSENT CALENDAR

H. F. No. 1670, A bill for an act relating to transportation; expanding scope of state commuter van transportation program; amending Minnesota Statutes 1982, section 16.756, subdivisions 1, 1a, and 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 116 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Hokr	McKasy	Price
Anderson, G.	Dempsey	Jacobs	Metzen	Quinn
Anderson, R.	Dimler	Jennings	Minne	Quist
Battaglia	Eken	Jensen	Munger	Redalen
Beard	Ellingson	Johnson	Murphy	Reif
Begich	Erickson	Kahn	Nelson, D.	Riveness
Bennett	Evans	Kalis	Nelson, K.	Rodosovich
Bergstrom	Findlay	Kelly	Neuenschwander	Rodriguez, C.
Blatz	Forsythe	Knickerbocker	O'Connor	Rodriguez, F.
Boo	Frerichs	Knuth	Ogren	Rose
Brandl	Graba	Kostohryz	Olsen	St. Onge
Brinkman	Greenfield	Krueger	Omman	Sarna
Burger	Gruenes	Larsen	Onnen	Schoenfeld
Carlson, D.	Gustafson	Levi	Osthoff	Schreiber
Carlson, L.	Gutknecht	Long	Otis	Seaberg
Clark, J.	Haukoos	Mann	Pauly	Segal
Clark, K.	Heap	Marsh	Peterson	Sherman
Clawson	Heinitz	McDonald	Piepho	Simoneau
Cohen	Hoffman	McEachern	Piper	Skoglund

Solberg	Swanson	Uphus	Vellenga	Welle
Sparby	Thiede	Valan	Voss	Wenzel
Stadum	Tomlinson	Valento	Waltman	Wynia
Staten	Tunheim	Vanasek	Welch	Speaker Sieben
Swiggum				

Those who voted in the negative were:

Fjoslien	Ludeman	Schafer	Welker	Wigley
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The bill was passed and its title agreed to.

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.

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 110 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

DenOuden	Frerichs	Ludeman	Schafer	Welker
Erickson	Jennings	McDonald	Seaberg	Wigley
Fjoslien				

The bill was passed and its title agreed to.

H. F. No. 1325, A bill for an act relating to county law libraries; permitting the appointment of a nonlawyer to the library board; amending Minnesota Statutes 1982, section 140.36, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1404, A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; amending Minnesota Statutes 1982, section 106.465.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Bishop	Brinkman	Clark, J.
Anderson, G.	Begich	Blatz	Burger	Clark, K.
Anderson, R.	Bennett	Boo	Carlson, D.	Clawson
Battaglia	Bergstrom	Brandl	Carlson, L.	Coleman

Dempsey	Himle	McEachern	Reif	Sviggum
DenOuden	Hoffman	McKasy	Riveness	Swanson
Dimler	Hokr	Metzen	Rodosovich	Thiede
Eken	Jacobs	Minne	Rodriguez, C.	Tomlinson
Elioff	Jennings	Munger	Rodriguez, F.	Tunheim
Ellingson	Jensen	Murphy	Rose	Uphus
Erickson	Johnson	Nelson, K.	St. Onge	Valan
Evans	Kahn	O'Connor	Sarna	Valento
Findlay	Kalis	Ogren	Schafer	Vanasek
Fjoslien	Kelly	Olsen	Scheid	Vellenga
Forsythe	Knickerbocker	Omann	Schoenfeld	Voss
Frerichs	Knuth	Onnen	Schreiber	Waltman
Graba	Kostohryz	Osthoff	Seaberg	Welch
Greenfield	Krueger	Otis	Segal	Welker
Gruenes	Kvam	Pauly	Sherman	Welle
Gustafson	Larsen	Peterson	Simoneau	Wenzel
Gutknecht	Levi	Piepho	Skoglund	Wigley
Halberg	Ludeman	Piper	Solberg	Wynia
Haukoos	Mann	Price	Sparby	Zaffke
Heap	Marsh	Quist	Stadum	Speaker Sieben
Heinitz	McDonald	Redalen	Staten	

The bill was passed and its title agreed to.

H. F. No. 1418, A bill for an act relating to the town of Blue Hill; allowing the town to exercise certain powers.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1706, A bill for an act relating to St. Louis Park; providing authority to the housing and redevelopment authority to review and approve development in redevelopment areas.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Welker

The bill was passed and its title agreed to.

H. F. No. 1774, A bill for an act relating to transportation; providing for distribution of town road funds; amending Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

## Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker called Wynia to the Chair.

H. F. No. 1912, A bill for an act relating to the state agricultural society; changing the authority to make certain contracts; amending Minnesota Statutes 1983 Supplement, section 37.19.

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, D.	Evans	Himle	Kvam
Anderson, G.	Carlson, L.	Findlay	Hoffman	Larsen
Anderson, R.	Clark, J.	Fjoslien	Hokr	Levi
Battaglia	Clark, K.	Forsythe	Jacobs	Long
Beard	Clawson	Frerichs	Jennings	Ludeman
Begich	Cohen	Graba	Jensen	Mann
Bennett	Coleman	Greenfield	Johnson	Marsh
Bergstrom	Dempsey	Gruenes	Kahn	McDonald
Bishop	DenOuden	Gustafson	Kalis	McEachern
Blatz	Dimler	Gutknecht	Kelly	McKasy
Boo	Eken	Halberg	Knickerbocker	Metzen
Brandl	Elioff	Haukoos	Knuth	Minne
Brinkman	Ellingson	Heap	Kostohryz	Munger
Burger	Erickson	Heinitz	Krueger	Murphy

Nelson, D.	Piepho	Sarna	Stadum	Waltman
Nelson, K.	Piper	Schafer	Staten	Welch
Neuenschwander	Price	Scheid	Swiggum	Welker
Norton	Quinn	Schoenfeld	Swanson	Welle
O'Connor	Quist	Schreiber	Thiede	Wenzel
Ogren	Redalen	Seaberg	Tomlinson	Wigley
Olsen	Reif	Segal	Tunheim	Wynia
Omann	Riveness	Shaver	Uphus	Zaffke
Onnen	Rodosovich	Sherman	Valan	Speaker Sieben
Osthoff	Rodriguez, C.	Simoneau	Valento	
Otis	Rodriguez, F.	Skoglund	Vanasek	
Pauly	Rose	Solberg	Vellenga	
Peterson	St. Onge	Sparby	Voss	

The bill was passed and its title agreed to.

H. F. No. 1915, A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.15; and 329.16.

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

The bill was passed and its title agreed to.



H. F. No. 1918, A bill for an act relating to elections; restricting the eligibility for appointment as election judge; amending Minnesota Statutes 1983 Supplement, section 204B.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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Otis	Skoglund
Anderson, G.	Erickson	Knuth	Pauly	Solberg
Anderson, R.	Evans	Kostohryz	Peterson	Sparby
Battaglia	Findlay	Krueger	Piepho	Stadum
Beard	Fjoslien	Kvam	Piper	Staten
Begich	Forsythe	Larsen	Price	Swiggum
Bennett	Frerichs	Levi	Quinn	Swanson
Bergstrom	Graba	Long	Quist	Thiede
Bishop	Greenfield	Ludeman	Redalen	Tomlinson
Blatz	Gruenes	Mann	Reif	Tunheim
Boo	Gustafson	Marsh	Rivness	Uphus
Brandl	Gutknecht	McEachern	Rodosovich	Valan
Brinkman	Halberg	McKasy	Rodriguez, C.	Valente
Burger	Haukoos	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Munger	Rose	Vellenga
Carlson, L.	Heinitz	Murphy	St. Onge	Voss
Clark, J.	Himle	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Schafer	Weich
Clawson	Hokr	Neuenschwander	Scheid	Welker
Cohen	Jacobs	Norton	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	Sherman	Speaker Sieben
Elioff	Kelly	Osthoff	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1936, A bill for an act relating to elections; changing the time for filing for school district offices; amending Minnesota Statutes 1982, section 123.32, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Bishop	Brinkman	Clark, J.
Anderson, G.	Begich	Blatz	Burger	Clark, K.
Anderson, R.	Bennett	Boo	Carlson, D.	Cohen
Battaglia	Bergstrom	Brandl	Carlson, L.	Coleman

Dempsey	Jacobs	Metzen	Redalen	Stadium
DenOuden	Jennings	Minne	Reif	Sviggum
Dimler	Jensen	Munger	Riveness	Swanson
Eken	Johnson	Murphy	Rodosovich	Thiede
Elioff	Kahn	Nelson, D.	Rodriguez, C.	Tomlinson
Ellingson	Kalis	Nelson, K.	Rodriguez, F.	Tunheim
Evans	Kelly	Neuenschwander	Rose	Valan
Findlay	Knickerbocker	Norton	St. Onge	Valento
Fjoslien	Knuth	O'Connor	Sarna	Vellenga
Forsythe	Kostohryz	Ogren	Schafer	Voss
Frerichs	Krueger	Olsen	Scheid	Waltman
Graba	Kvam	Omann	Schoenfeld	Welch
Greenfield	Larsen	Onnen	Schreiber	Welker
Gruenes	Levi	Otis	Seaberg	Welle
Gustafson	Long	Pauly	Segal	Wenzel
Halberg	Ludeman	Peterson	Shaver	Wigley
Haukoos	Mann	Piepho	Sherman	Wynia
Heap	Marsh	Piper	Simoneau	Zaffke
Heinitz	McDonald	Price	Skoglund	Speaker Sieben
Himle	McEachern	Quinn	Solberg	
Hoffman	McKasy	Quist	Sparby	

Those who voted in the negative were:

Clawson	Erickson	Osthoff	Staten	Vanasek
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The bill was passed and its title agreed to.

H. F. No. 1998, A bill for an act relating to commerce; excluding certain securities and commodities agreements from plain language contract regulation; amending Minnesota Statutes 1983 Supplement, section 325G.30, 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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cohen	Heap	Levi	Olsen
Anderson, G.	Coleman	Heinitz	Long	Omann
Anderson, R.	Dempsey	Himle	Ludeman	Onnen
Battaglia	DenOuden	Hoffman	Mann	Osthoff
Beard	Eken	Hokr	Marsh	Otis
Begich	Elioff	Jacobs	McDonald	Pauly
Bennett	Ellingson	Jennings	McEachern	Peterson
Bergstrom	Evans	Jensen	McKasy	Piepho
Bishop	Findlay	Johnson	Metzen	Piper
Blatz	Fjoslien	Kahn	Minne	Price
Boo	Forsythe	Kalis	Munger	Quinn
Brandl	Frerichs	Kelly	Murphy	Quist
Brinkman	Greenfield	Knickerbocker	Nelson, D.	Redalen
Burger	Gruenes	Knuth	Nelson, K.	Reif
Carlson, L.	Gustafson	Kostohryz	Neuenschwander	Riveness
Clark, J.	Gutknecht	Krueger	Norton	Rodosovich
Clark, K.	Halberg	Kvam	O'Connor	Rodriguez, C.
Clawson	Haukoos	Larsen	Ogren	Rodriguez, F.

Rose	Seaberg	Sparby	Uphus	Welker
St. Onge	Segal	Stadum	Valan	Welle
Sarna	Shaver	Sviggum	Valento	Wenzel
Schafer	Sherman	Swanson	Vanasek	Wigley
Scheid	Simoneau	Thiede	Voss	Wynia
Schoenfeld	Skoglund	Tomlinson	Waltman	Zaffke
Schreiber	Solberg	Tunheim	Welch	Speaker Sieben

Those who voted in the negative were:

Dimler	Erickson	Graba	Staten
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The bill was passed and its title agreed to.

H. F. No. 2180, A resolution memorializing the President and Secretary of Transportation of the United States, the National Transportation Safety Board, and the Minnesota Congressional delegation to implement a program for the reflectorization of railroad rolling stock.

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 114 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fjoslien	Jennings	Piepho	Uphus	Welker
Frerichs	Johnson	Schafer	Waltman	Wigley
Haukoos	McDonald	Seaberg		

The bill was passed and its title agreed to.

S. F. No. 311, A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and by adding a subdivision; 245.783, by adding a subdivision; 245.791; 245.802, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

## CALENDAR

H. F. No. 950, 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.

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 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Dimler	McEachern	Seaberg	Welker
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The bill was passed and its title agreed to.

H. F. No. 1347, A bill for an act relating to crimes; prohibiting the concealing, obtaining, or retaining of a child in violation of the parental, custodial, or visitation rights of another; imposing penalties; providing for notification in custody or visitation orders of the child abduction laws; requiring violations of the child abduction law to be reported under the child abuse reporting law; amending Minnesota Statutes 1982, section 609.26; proposing new law coded in Minnesota Statutes, chapter 518.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Bishop	Brinkman	Clark, J.
Anderson, G.	Begich	Blatz	Burger	Clark, K.
Anderson, R.	Bennett	Boo	Carlson, D.	Clawson
Battaglia	Bergstrom	Brandl	Carlson, L.	Cohen

Coleman	Himle	McEachern	Quist	Swiggum
Dempsey	Hoffman	McKasy	Redalen	Swanson
DenOuden	Hokr	Metzen	Reif	Thiede
Dimler	Jacobs	Minne	Riveness	Tomlinson
Eken	Jennings	Munger	Rodosovich	Tunheim
Elioff	Jensen	Murphy	Rodriguez, C.	Uphus
Ellingson	Johnson	Nelson, D.	Rodriguez, F.	Valento
Erickson	Kahn	Nelson, K.	Rose	Vanasek
Evans	Kalis	Neuenschwander	St. Onge	Vellenga
Findlay	Kelly	Norton	Sarna	Voss
Fjoslien	Knickerbocker	O'Connor	Scheid	Waltman
Forsythe	Knuth	Ogren	Schoenfeld	Welch
Frerichs	Kostohryz	Olsen	Schreiber	Welker
Graba	Krueger	Omann	Seaberg	Welle
Greenfield	Kvam	Onnen	Segal	Wenzel
Gruenes	Larsen	Osthoff	Shaver	Wigley
Gustafson	Levi	Otis	Sherman	Wynia
Gutknecht	Long	Pauly	Simoneau	Zaffke
Halberg	Ludeman	Peterson	Skoglund	Speaker Sieben
Haukoos	Mann	Piepho	Solberg	
Heap	Marsh	Piper	Sparby	
Heinitz	McDonald	Quinn	Staten	

The bill was passed and its title agreed to.

H. F. No. 1503, A bill for an act relating to local government; providing for the duties and bonds of city clerks; amending Minnesota Statutes 1982, sections 412.151; and 418.25, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Tunheim	Vanasek	Waltman	Welle	Wynia
Uphus	Vellenga	Welch	Wenzel	Zaffke
Valan	Voss	Welker	Wigley	Speaker Sieben
Valento				

The bill was passed and its title agreed to.

H. F. No. 1459, A bill for an act relating to taxation; providing for the imposition of an aggregate material tax in Sibley County; amending Minnesota Statutes 1983 Supplement, section 298.75, 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 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dimler                      Osthoff

The bill was passed and its title agreed to.

S. F. No. 1476, A bill for an act relating to elections; making the requirements for school election absentee ballots the same as those for the general election; amending Minnesota Statutes 1982, section 123.32, subdivision 24.

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

The bill was passed and its title agreed to.

H. F. No. 1528 was reported to the House.

There being no objection H.F. No. 1528 was continued on the Calendar for one day.

## GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Wynia in the Chair for the consideration of bills pending on General Orders of the Day. Sieben 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. 735 which it recommended to pass with the following amendments:

Offered by Schoenfeld:

Page 1, line 17, delete "*in an unreasonable length of time,*"

Page 1, line 18, delete the first "or"

Page 2, delete lines 5 to 12 and renumber the remaining clauses accordingly

Page 2, line 18, before "*making*" insert "*intentionally*"

Page 2, line 23, before "*failing*" insert "*intentionally*"

Page 2, line 27, before "*failing*" insert "*intentionally*"

Page 2, line 32, before "*misleading*" insert "*intentionally*"

Page 2, after line 33, insert:

*"This subdivision does not apply to health insurance unless the policy also insures against any risk other than a health risk."*

Page 2, line 35, after the period insert "[DAMAGES RECOVERABLE.]"

Page 3, delete line 3, and insert "*the greater of \$10,000 or three times the amount recovered on the underlying claim*"

Page 3, line 4, delete "*coverage*"

Page 3, line 7, before "An" insert "[SEPARATE TRIAL.]"

Page 3, line 7, delete "*sections 72A.17 to 72A.32*" and insert "*this section*"

Page 3, delete lines 10 to 12 and insert:

*"Subd. 3. [NOTICE.] No action shall be maintained under this section unless the insured or claimant provides written notice to the commissioner and each defendant at least 30 days before the action is commenced. The notice must state the following regarding the alleged violation:*

*(1) the specific facts giving rise to the claim under this section;*

(2) *the name and address of any involved insurance company; and.*

(3) *if known, the name of any involved agent, adjuster or employee of an involved insurance company.*

*Subd. 4. [DEFENSE.] It is a defense to an action under this section that the claim is paid within 30 days of receipt of the notice required by subdivision 3.*

*Subd. 5. [SCOPE.] This section does not apply to the following:*

(1) *health insurance, unless the policy also insures against any risk other than a health risk;*

(2) *a township mutual or farmers mutual fire insurance company organized under chapter 67A;*

(3) *a policy of life or casualty insurance upon the cooperative or assessment plan qualifying under sections 61A.39 to 61A.52; or*

(4) *an agent or agency licensed under section 60A.17, unless the agent has authority to investigate and evaluate claims and to negotiate claims settlements."*

Amend the title as follows:

Page 1, line 6, delete "; repealing Minnesota" and insert a period

Page 1, delete line 7

Offered by Quinn:

Page 2, after line 19 of the Schoenfeld amendment insert

*"(3) a fraternal beneficiary association organized under chapter 64A;"*

Renumber the remaining clauses accordingly

Offered by Burger:

Page 1, line 13, delete "includes, but is not limited to" insert "means, and is limited to"

Offered by Skoglund; Simoneau; Clark, J.; Brandl and Swanson:

Page 1, line 12 of the Schoenfeld amendment, after "insurance" insert "or health maintenance organizations"

Page 2, line 22 of the Schoenfeld amendment, delete "or"

Page 2, line 25 of the Schoenfeld amendment, delete the period and insert " ; or"

Page 2, after line 25 of the Schoenfeld amendment, insert "(6) health maintenance organizations."

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:

The question was taken on the Forsythe motion to re-refer H. F. No. 735, the first engrossment, to the Committee on Financial Institutions and Insurance and the roll was called. There were 51 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Hokr	Onnen	Swanson
Anderson, R.	Findlay	Jennings	Pauly	Thiede
Bennett	Fjoslien	Johnson	Piepho	Uphus
Blatz	Forsythe	Knickerbocker	Redalen	Valento
Boo	Frerichs	Kvam	Reif	Waltman
Brinkman	Gruenes	Levi	Rose	Welker
Carlson, D.	Gutknecht	Ludeman	Schafer	Wigley
Cohen	Haukoos	Marsh	Schreiber	
DenOuden	Heap	McDonald	Sherman	
Dimler	Heinitz	McKasy	Stadum	
Erickson	Himle	Olsen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Ellingson	Mann	Piper	Skoglund
Battaglia	Graba	McEachern	Price	Solberg
Beard	Greenfield	Metzen	Quinn	Staten
Begieh	Gustafson	Minne	Quist	Tomlinson
Bergstrom	Halberg	Murphy	Riveness	Tunheim
Brandl	Hoffman	Nelson, D.	Rodosovich	Valan
Burger	Jacobs	Nelson, K.	Rodriguez, C.	Vanasek
Carlson, L.	Jensen	Neuenschwander	Rodriguez, F.	Vellenga
Clark, J.	Kahn	Norton	St. Onge	Voss
Clark, K.	Kalis	O'Connor	Sarna	Welch
Clawson	Kelly	Ogren	Scheid	Welle
Coleman	Knuth	Omann	Schoenfeld	Wenzel
Dempsey	Krueger	Osthoff	Seaberg	Wynia
Eken	Larsen	Otis	Segal	Zaffke
Elioff	Long	Peterson	Simoneau	Speaker Sieben

The motion did not prevail.

Schoenfeld moved to amend H. F. No. 735, the first engrossment, as follows:

Page 1, line 17, delete "*in an unreasonable length of time,*"

Page 1, line 18, delete the first "*or*"

Page 2, delete lines 5 to 12 and renumber the remaining clauses accordingly

Page 2, line 18, before "*making*" insert "*intentionally*"

Page 2, line 23, before "*failing*" insert "*intentionally*"

Page 2, line 27, before "*failing*" insert "*intentionally*"

Page 2, line 32, before "*misleading*" insert "*intentionally*"

Page 2, after line 33, insert:

*"This subdivision does not apply to health insurance unless the policy also insures against any risk other than a health risk."*

Page 2, line 35, after the period insert "[DAMAGES RECOVERABLE.]"

Page 3, delete line 3, and insert "*the greater of \$10,000 or three times the amount recovered on the underlying claim*"

Page 3, line 4, delete "*coverage*"

Page 3, line 7, before "*An*" insert "[SEPARATE TRIAL.]"

Page 3, line 7, delete "*sections 72A.17 to 72A.32*" and insert "*this section*"

Page 3, delete lines 10 to 12 and insert:

*"Subd. 3. [NOTICE.] No action shall be maintained under this section unless the insured or claimant provides written notice to the commissioner and each defendant at least 30 days before the action is commenced. The notice must state the following regarding the alleged violation:*

*(1) the specific facts giving rise to the claim under this section;*

*(2) the name and address of any involved insurance company; and*

(3) if known, the name of any involved agent, adjuster or employee of an involved insurance company.

Subd. 4. [DEFENSE.] It is a defense to an action under this section that the claim is paid within 30 days of receipt of the notice required by subdivision 3.

Subd. 5. [SCOPE.] This section does not apply to the following:

(1) health insurance, unless the policy also insures against any risk other than a health risk;

(2) a township mutual or farmers mutual fire insurance company organized under chapter 67A;

(3) a policy of life or casualty insurance upon the cooperative or assessment plan qualifying under sections 61A.39 to 61A.52; or

(4) an agent or agency licensed under section 60A.17, unless the agent has authority to investigate and evaluate claims and to negotiate claims settlements."

Amend the title as follows:

Page 1, line 6, delete "; repealing Minnesota" and insert a period

Page 1, delete line 7

Dempsey moved to amend the Schoenfeld amendment to H. F. No. 735, the first engrossment, as follows:

Page 1, delete lines 11, 12, 13 and 14

Page 2, delete lines 16 and 17

The question was taken on the amendment to the amendment and the roll was called. There were 50 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Hokr	Piepho	Sviggum
Bennett	Fjoslien	Johnson	Quist	Swanson
Bishop	Frerichs	Kalis	Reif	Thiede
Blatz	Gruenes	Kvam	Schafer	Valan
Boo	Gutknecht	Levi	Schreiber	Valento
Burger	Halberg	Ludeman	Seaberg	Waltman
Dempsey	Haukoos	McDonald	Shaver	Welker
DenOuden	Heap	Omann	Sherman	Wenzel
Dimler	Heinitz	Onnen	Skoglund	Wigley
Erickson	Himle	Pauly	Stadum	Zaffke

Those who voted in the negative were:

Anderson, B.	Ellingson	Mann	Otis	Simoneau
Battaglia	Forsythe	Marsh	Peterson	Solberg
Beard	Graba	McEachern	Piper	Sparby
Begich	Greenfield	McKasy	Quinn	Staten
Bergstrom	Gustafson	Metzen	Redalen	Tomlinson
Brandl	Hoffman	Minne	Riveness	Tunheim
Brinkman	Jensen	Murphy	Rodosovich	Vanasek
Carlson, L.	Kahn	Nelson, D.	Rodriguez, C.	Voss
Clark, J.	Kelly	Neuenschwander	Rodriguez, F.	Welch
Clawson	Knickerbocker	Norton	St. Onge	Welle
Cohen	Knuth	O'Connor	Sarna	Wynia
Coleman	Krueger	Ogren	Scheid	
Eken	Larsen	Olsen	Schoenfeld	
Elioff	Long	Osthoff	Segal	

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

Bishop requested a division of the Schoenfeld amendment to H. F. No. 735, the first engrossment.

The first portion of the Schoenfeld amendment to H. F. No. 735, the first engrossment, reads as follows:

Page 1, line 17, delete "*in an unreasonable length of time,*"

Page 1, line 18, delete the first "*or*"

Page 2, delete lines 5 to 12 and renumber the remaining clauses accordingly

Page 2, line 18, before "*making*" insert "*intentionally*"

Page 2, line 23, before "*failing*" insert "*intentionally*"

Page 2, line 27, before "*failing*" insert "*intentionally*"

Page 2, line 32, before "*misleading*" insert "*intentionally*"

The question was taken on the first portion of the Schoenfeld amendment and the roll was called. There were 116 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	Clark, K.	Elioff	Gustafson
Anderson, G.	Boo	Clawson	Ellingson	Halberg
Battaglia	Brandl	Cohen	Evans	Haukoos
Beard	Brinkman	Coleman	Findlay	Himle
Begich	Burger	Dempsey	Fjoslien	Hoffman
Bennett	Carlson, D.	DenOuden	Graba	Jacobs
Bergstrom	Carlson, L.	Dimler	Greenfield	Jensen
Bishop	Clark, J.	Eken	Gruenes	Johnson

Kahn	Metzen	Peterson	Schoenfeld	Valan
Kalis	Minne	Piepho	Schreiber	Vanasek
Kelly	Munger	Piper	Seaberg	Vellenga
Knickerbocker	Murphy	Quinn	Sherman	Voss
Knuth	Nelson, D.	Quist	Simoneau	Waltman
Kostohryz	Nelson, K.	Redalen	Skoglund	Welch
Krueger	Neuenschwander	Reif	Solberg	Welker
Kvam	Norton	Riveness	Sparby	Welle
Larsen	O'Connor	Rodosovich	Stadum	Wenzel
Long	Ogren	Rodriguez, C.	Staten	Wynia
Ludeman	Olsen	Rodriguez, F.	Sviggum	Zaffke
Mann	Omann	Rose	Swanson	Speaker Sieben
Marsh	Onnen	St. Onge	Thiede	
McDonald	Osthoff	Sarna	Tomlinson	
McEachern	Otis	Schafer	Tunheim	
McKasy	Pauly	Scheid	Uphus	

Those who voted in the negative were:

Heap

The motion prevailed and the first portion of the Schoenfeld amendment was adopted.

The second portion of the Schoenfeld amendment to H. F. No. 735, the first engrossment, as amended, reads as follows:

Page 2, after line 33, insert:

*"This subdivision does not apply to health insurance unless the policy also insures against any risk other than a health risk."*

Page 2, line 35, after the period insert "[DAMAGES RECOVERABLE.]"

Page 3, delete line 3, and insert *"the greater of \$10,000 or three times the amount recovered on the underlying claim"*

Page 3, line 4, delete *"coverage"*

Page 3, line 7, before *"An"* insert "[SEPARATE TRIAL.]"

Page 3, line 7, delete *"sections 72A.17 to 72A.32"* and insert *"this section"*

Page 3, delete lines 10 to 12 and insert:

*"Subd. 3. [NOTICE.] No action shall be maintained under this section unless the insured or claimant provides written notice to the commissioner and each defendant at least 30 days before the action is commenced. The notice must state the following regarding the alleged violation:*

*(1) the specific facts giving rise to the claim under this section;*

(2) *the name and address of any involved insurance company; and*

(3) *if known, the name of any involved agent, adjuster or employee of an involved insurance company.*

Subd. 4. [DEFENSE.] *It is a defense to an action under this section that the claim is paid within 30 days of receipt of the notice required by subdivision 3.*

Subd. 5. [SCOPE.] *This section does not apply to the following:*

(1) *health insurance, unless the policy also insures against any risk other than a health risk;*

(2) *a township mutual or farmers mutual fire insurance company organized under chapter 67A;*

(3) *a policy of life or casualty insurance upon the cooperative or assessment plan qualifying under sections 61A.39 to 61A.52; or*

(4) *an agent or agency licensed under section 60A.17, unless the agent has authority to investigate and evaluate claims and to negotiate claims settlements."*

Amend the title as follows:

Page 1, line 6, delete "; repealing Minnesota" and insert a period

Page 1, delete line 7

The question was taken on the second portion of the Schoenfeld amendment and the roll was called. There were 98 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Halberg	Marsh	Omann
Anderson, G.	Clark, K.	Hoffman	McEachern	Onnen
Battaglia	Clawson	Jacobs	McKasy	Osthoft
Beard	Cohen	Jensen	Metzen	Otis
Begich	Coleman	Johnson	Minne	Peterson
Bennett	Dempsey	Kahn	Munger	Piepho
Bergstrom	Eken	Kalis	Murphy	Piper
Bishop	Elioff	Kelly	Nelson, D.	Quinn
Blatz	Ellingson	Knuth	Nelson, K.	Quist
Boo	Findlay	Kostohryz	Neuenschwander	Redalen
Brandl	Craba	Larsen	Norton	Reif
Brinkman	Greenfield	Levi	O'Connor	Riveness
Burger	Gruenes	Long	Ogren	Rodosovich
Carlson, D.	Gustafson	Mann	Olsen	Rodriguez, C.



Rodriguez, F.	Seaberg	Sparby	Valan	Welle
Rose	Shaver	Staten	Vanasek	Wenzel
St. Onge	Sherman	Sviggum	Vellenga	Wynia
Sarna	Simoneau	Swanson	Voss	Speaker Sieben
Scheid	Skoglund	Tomlinson	Waltman	
Schoenfeld	Solberg	Tunheim	Welch	

Those who voted in the negative were:

Clark, J.	Haukoos	Knickerbocker	Pauly	Uphus
DenOuden	Heap	Krueger	Schafer	Valento
Dimler	Heinitz	Kvam	Schreiber	Welker
Evans	Himle	Ludeman	Stadum	Wigley
Forsythe	Jennings	McDonald	Thiede	Zaffke
Frerichs				

The motion prevailed and the second portion of the Schoenfeld amendment was adopted.

Sviggum moved to amend H. F. No. 735, the first engrossment, as amended, as follows:

Page 2, after line 25 of the Schoenfeld amendment insert: "(6) small Minnesota based Mutual Insurance companies"

The question was taken on the Sviggum amendment and the roll was called. There were 51 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Kalis	Picpho	Uphus
Bishop	Frerichs	Knickerbocker	Redalen	Valento
Blatz	Gruenes	Levi	Reif	Waltman
Boo	Gutknecht	Ludeman	Rose	Welker
Carlson, D.	Haukoos	Marsh	Schafer	Wenzel
Dempsey	Heap	McDonald	Seaberg	Wigley
DenOuden	Heinitz	McKasy	Shaver	Zaffke
Erickson	Himle	Olsen	Sherman	
Evans	Hokr	Omann	Stadum	
Findlay	Jennings	Onnen	Sviggum	
Fjoslien	Johnson	Pauly	Thiede	

Those who voted in the negative were:

Battaglia	Graba	Metzen	Quinn	Swanson
Beard	Greenfield	Minne	Quist	Tomlinson
Begich	Gustafson	Munger	Riveness	Tunheim
Bergstrom	Halberg	Murphy	Rodosovich	Valan
Brandl	Jacobs	Nelson, D.	Rodriguez, C.	Vanasek
Brinkman	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Burger	Kahn	Neuenschwander	St. Onge	Voss
Carlson, L.	Kelly	Norton	Sarna	Welch
Clark, J.	Knuth	O'Connor	Scheid	Welle
Clark, K.	Kostohryz	Ogren	Schoenfeld	Wynia
Clawson	Krueger	Osthoff	Simoneau	Speaker Sieben
Coleman	Larsen	Otis	Skoglund	
Dimler	Long	Peterson	Solberg	
Eken	Mann	Piper	Sparby	
Elioff	McEachern	Price	Staten	

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

Burger moved to amend H. F. No. 735, the first engrossment, as amended, as follows:

Page 3, after line 9, insert: "*Subd. 3. If any insured or claimant or any attorney representing such insured or claimant engages in an unfair or deceptive activity in asserting a claim against an insurance company, that company shall have a civil action or counter claim against the insured or claimant and the attorney for 3 times the provable costs of such unfair or deceptive activity.*"

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

Those who voted in the affirmative were:

Bennett	Erickson	Hokr	Pauly	Sviggum
Bishop	Evans	Jennings	Piepho	Thiede
Boo	Findlay	Johnson	Redalen	Uphus
Brinkman	Fjoslien	Knickerbocker	Reif	Valan
Burger	Forsythe	Kvam	Rose	Valento
Carlson, D.	Frerichs	Levi	Schafer	Waltman
Clawson	Gutknecht	Ludeman	Schreiber	Welker
Cohen	Haukoos	Marsh	Seaberg	Wenzel
Dempsey	Heap	McDonald	Shaver	Wigley
DenOuden	Heinitz	Omann	Sherman	Zaffke
Dimler	Himle	Onnen	Stadum	

Those who voted in the negative were:

Anderson, G.	Greenfield	McEachern	Price	Sparby
Battaglia	Gruenes	Metzen	Quinn	Staten
Beard	Gustafson	Minne	Quist	Swanson
Begich	Halberg	Munger	Riveness	Tomlinson
Bergstrom	Hoffman	Murphy	Rodosovich	Tunheim
Blatz	Jacobs	Nelson, D.	Rodriguez, C.	Vanasek
Brandl	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Carlson, L.	Kahn	Neuenschwander	St. Onge	Voss
Clark, J.	Kelly	Norton	Sarna	Welch
Clark, K.	Knuth	O'Connor	Scheid	Welle
Coleman	Kostohryz	Ogren	Schoenfeld	Wynia
Eken	Krueger	Osthoff	Segal	Speaker Sieben
Elioff	Larsen	Otis	Simoneau	
Ellingson	Long	Peterson	Skoglund	
Graba	Mann	Piper	Solberg	

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

Sviggum moved to amend H. F. No. 735, the first engrossment, as amended, as follows:

Page 2, after line 25, insert: "*(7) domestically based Mutual Insurance Companies that do more than 50% of their business in Minnesota.*"

The question was taken on the Sviggum amendment and the roll was called. There were 61 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kalis	Piepho	Uphus
Anderson, R.	Findlay	Knickerbocker	Quist	Valan
Bennett	Fjoslien	Krueger	Redalen	Valento
Bishop	Forsythe	Kvam	Reif	Waltman
Blatz	Frerichs	Ludeman	Rose	Welker
Boo	Gruenes	Marsh	Schafer	Welle
Brinkman	Gutknecht	McDonald	Schoenfeld	Wenzel
Burger	Haukoos	McKasy	Schreiber	Wigley
Carlson, D.	Heap	Neuenschwander	Seaberg	Zaffke
Dempsey	Heinitz	Olsen	Shaver	
DenOuden	Himle	Omann	Stadum	
Dimler	Hokr	Onnen	Sviggum	
Erickson	Johnson	Pauly	Thiede	

Those who voted in the negative were:

Battaglia	Graba	Mann	Price	Staten
Beard	Greenfield	Metzen	Quinn	Swanson
Begich	Gustafson	Minne	Riveness	Tomlinson
Bergstrom	Halberg	Munger	Rodosovich	Tunheim
Brandl	Hoffman	Murphy	Rodriguez, C.	Vanasek
Carlson, L.	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Clark, J.	Jensen	Nelson, K.	St. Onge	Voss
Clark, K.	Kahn	Norton	Sarna	Welch
Clawson	Kelly	O'Connor	Scheid	Wynia
Coleman	Knuth	Ogren	Simoneau	Speaker Sieben
Eken	Kostohryz	Osthoff	Skoglund	
Elioff	Larsen	Otis	Solberg	
Ellingson	Long	Peterson	Sparby	

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

The question was taken on the motion to recommend passage of H. F. No. 735, the first engrossment; as amended, and the roll was called. There were 71 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	McEachern	Price	Staten
Battaglia	Graba	Metzen	Quinn	Swanson
Beard	Greenfield	Minne	Quist	Tomlinson
Begich	Gustafson	Munger	Riveness	Tunheim
Bergstrom	Halberg	Murphy	Rodosovich	Vanasek
Bishop	Hoffman	Nelson, D.	Rodriguez, C.	Vellenga
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Voss
Carlson, L.	Jensen	Neuenschwander	St. Onge	Welch
Clark, J.	Kahn	Norton	Sarna	Wenzel
Clark, K.	Kelly	O'Connor	Scheid	Wynia
Clawson	Knuth	Ogren	Schoenfeld	Speaker Sieben
Cohen	Kostohryz	Osthoff	Segal	
Coleman	Krueger	Otis	Skoglund	
Eken	Long	Peterson	Solberg	
Elioff	Mann	Piper	Sparby	

Those who voted in the negative were:

Anderson, B.	Findlay	Johnson	Pauly	Thiede
Anderson, R.	Fjoslien	Kalis	Piepho	Uphus
Blatz	Forsythe	Knickerbocker	Redalen	Valan
Boo	Frerichs	Kvam	Rose	Valento
Brinkman	Cruenes	Levi	Schafer	Waltman
Burger	Gutknecht	Ludeman	Schreiber	Welker
Carlson, D.	Haukoos	Marsh	Seaberg	Welle
Dempsey	Heap	McDonald	Shaver	Wigley
DenOuden	Heinitz	McKasy	Sherman	Zaffke
Dimler	Himle	Olsen	Simoneau	
Erickson	Hokr	Omann	Stadum	
Evans	Jennings	Onnen	Sviggun	

The motion prevailed.

## MOTIONS AND RESOLUTIONS

Kostohryz moved that H. F. No. 1857 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Cohen moved that the name of Cohen be stricken and the name of Anderson, G., be added as chief author on H. F. No. 1851. The motion prevailed.

Wenzel moved that his name be stricken as an author on H. F. No. 1976. The motion prevailed.

Scheid moved that the name of Osthoff be added as an author on H. F. No. 2186. The motion prevailed.

Clawson moved that the names of Welch, Swanson and Rose be added as authors on H. F. No. 2245. The motion prevailed.

Simoneau moved that the name of Neuenschwander be added as an author on H. F. No. 2275. The motion prevailed.

Simoneau moved that the names of Piper and Neuenschwander be added as authors on H. F. No. 2285. The motion prevailed.

Redalen moved that the names of Jacobs, Metzen, Blatz and Brinkman be added as authors on H. F. No. 1680. The motion prevailed.

Onnen moved that H. F. No. 51 be returned to its author. The motion prevailed.

Ogren moved that H. F. No. 1810 be returned to its author. The motion prevailed.

Olsen moved that H. F. No. 1836 be returned to its author. The motion prevailed.

Olsen moved that H. F. No. 2027 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2118 be returned to its author. The motion prevailed.

Zaffke moved that H. F. No. 2159 be returned to its author. The motion prevailed.

Staten introduced:

House Concurrent Resolution No. 9, A house concurrent resolution requiring the establishment of an affirmative action plan for the legislature; creating a staff position of Director of Legislative Equal Employment Opportunity; providing for immediate action to be taken in furtherance of equal employment opportunity.

The resolution was referred to the Committee on Rules and Legislative Administration.

Staten introduced:

House Concurrent Resolution No. 10, A house concurrent resolution proclaiming September as voter registration month.

The resolution was referred to the Committee on Rules and Legislative Administration.

Krueger moved that H. F. No. 1237 be recalled from the Committee on Taxes and be re-referred to the Committee on Appropriations. The motion prevailed.

#### ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, April 4, 1984. 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., Wednesday, April 4, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

