

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1984

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 10, 1984

The House of Representatives convened at 1:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Marvin Red Elk, All Saints Episcopal Mission, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Hoberg, Mann and Rodosovich were excused.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2314, 2078, 2247, 756, 1213, 1449, 1473, 1770, 1790, 1809, 1845, 1847, 1851, 2020, 2036, 2055, 2081, 2164, 2173, 2177, 2299, 2301, 2302, 1772, 1831, 2130 and 1666 and S. F. Nos. 1656, 1843, 2016, 2083, 2148, 2145, 97, 1750, 416, 1114 and 1396 have been placed in the members' files.

S. F. No. 2148 and H. F. No. 2255, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bennett moved that S. F. No. 2148 be substituted for H. F. No. 2255 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1750 and H. F. No. 1632, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that S. F. No. 1750 be substituted for H. F. No. 1632 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2016 and H. F. No. 2023, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 2016 be substituted for H. F. No. 2023 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 702, A bill for an act relating to insurance; holding companies; modifying the commissioner's jurisdiction with respect to the interests of shareholders; making miscellaneous style and form changes; amending Minnesota Statutes 1982, section 60D.02, subdivisions 1, 2, and 4; repealing Minnesota Statutes 1982, section 60D.02, subdivision 5.

Reported the same back with the following amendments:

Page 1, lines 13 and 23, reinstate the stricken "make" and delete "*commence*"

Page 2, line 4, reinstate the stricken "hereinafter" and delete "*in subdivision*"

Page 2, line 5, delete "4"

Page 3, line 10, after "sell" insert "*, transfer or exchange*"

Page 4, line 6, delete "*the proposed form of*"

Page 4, line 9, reinstate the stricken "(if distributed)" and delete "*the proposed form*"

Page 5, lines 10 to 25, 35, and 36, reinstate the stricken language and delete the new language

Page 5, line 33, after "sell" insert "*, transfer or exchange*"

Page 6, line 4, reinstate the stricken "in" and delete "*contrary to*"

Page 6, line 26, delete "*section*" and insert "*sections 60D.01, subdivision 8; and*"

Page 6, line 26, delete "*is*" and insert "*are*"

Amend the title as follows:

Page 1, line 7, delete "*section*" and insert "*sections 60D.01, subdivision 8; and*"

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. 1601, A bill for an act relating to commerce; providing a lien for agricultural production inputs; establishing priority and foreclosure requirements; amending Minnesota Statutes 1982, section 386.42; and Minnesota Statutes 1983 Supplement, section 336.9-312; proposing new law coded in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 386.42, is amended to read:

386.42 [ABSTRACT OF MORTGAGES AND LIENS ON GRAIN CROPS FOR ELEVATOR COMPANIES.]

Any elevator company or grain buyer doing business in this state may annually make written application to the county recorder for an abstract of all designated mortgages and liens upon grains grown during the year (WITHIN THE) *filed with the county recorder*. The application shall state the name and the post office address of the company and be accompanied by a fee. The fee shall be determined by resolution of the county board upon the recommendation of the county recorder based upon the estimated cost of providing the service.

Sec. 2. [514.950] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 7.

Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or to land that is used for raising crops, including fertilizer material, plant amendment, plant food, and soil amendment as defined in section 17.713, and pesticide and plant regulator as defined in section 18A.21.

Subd. 3. [AGRICULTURAL PRODUCTION INPUT.] "Agricultural production input" means crop production inputs and livestock production inputs.

Subd. 4. [CROP PRODUCTION INPUT.] "Crop production input" means agricultural chemicals, seeds, petroleum products, the custom application of agricultural chemicals and seeds, and labor used in preparing the land for planting, cultivating, growing, producing, harvesting, drying, and storing crops or crop products.

Subd. 5. [FEED.] "Feed" means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer-formula feeds that are used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 6. [LENDER.] "Lender" means a person in the business of lending money identified in a lien-notification statement.

Subd. 7. [LETTER OF COMMITMENT.] "Letter of commitment" means a binding, irrevocable, and unconditional agreement by a lender to honor drafts or other demands for payment upon the supplier presenting invoices signed by the purchaser or other proof of delivery.

Subd. 8. [LIVESTOCK PRODUCTION INPUT.] "Livestock production input" means feed and labor used in raising livestock.

Subd. 9. [PERSON.] "Person" means an individual or an organization as defined in section 336.1-201, paragraph (30).

Subd. 10. [PETROLEUM PRODUCT.] "Petroleum product" means motor fuels and special fuels that are used in the production of crops and livestock, including petroleum products as defined in section 296.01, alcohol fuels, propane, lubes, and oils.

Subd. 11. [PROCEEDS.] "Proceeds" means proceeds as defined in section 336.9-306 except that if rights or duties are contingent upon express language in a financing statement, the requisite language may exist in a lien-notification statement under section 3, and includes farm products, inventory, warehouse receipts, and documents of title.

Subd. 12. [SEED.] "Seed" means agricultural seeds that are used to produce crops, including agricultural seed as defined in section 21.47.

Subd. 13. [SUPPLIER.] "Supplier" means a person who furnishes agricultural production inputs.

Sec. 3. [514.952] [NOTIFICATION; LIEN-NOTIFICATION STATEMENT; EFFECT OF NOTIFICATION.]

Subdivision 1. [NOTIFICATION TO LENDER.] A supplier may notify a lender of an agricultural production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT-LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

Subd. 2. [LIEN-NOTIFICATION STATEMENT.] The lien-notification statement must be in a form approved by the secretary of state and disclose the following:

- (1) the name and business address of any lender;*
- (2) the name and address of the supplier claiming the lien;*
- (3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the agricultural production input;*
- (4) the name, residential address, and signature of the person to whom the agricultural production input was furnished;*

(5) the name and residential address of the owner and a description of the real estate where the crops to which the lien attaches are growing or are to be grown; or for a lien attaching to livestock, the name and residential address of the owner of the livestock, the location where the livestock will be raised, and a description of the livestock; and

(6) a statement that products and proceeds of the crops or livestock are covered by the agricultural input lien.

Subd. 3. [RESPONSE OF LENDER TO NOTIFICATION.] Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

(1) a letter of commitment for part or all of the amount in the lien-notification statement; or

(2) a written refusal to issue a letter of commitment.

Subd. 4. [EFFECT OF RESPONSE.] (a) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a priority lien under subdivision 5;

(b) If a lender responds with a refusal to provide a letter of credit, the rights of the lender and the supplier are not affected.

Subd. 5. [EFFECT OF NO RESPONSE.] If a lender does not respond to the supplier within ten calendar days after receiving the lien-notification statement, an agricultural production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement;

(2) the unpaid retail cost of the agricultural production input identified in the lien-notification statement; or

(3) for livestock any limitation in section 4, subdivision 2.

Subd. 6. [LIEN PRIORITY.] An agricultural production input lien does not have priority over liens that arise under chapter 395 or 514, or over perfected security interests for unpaid rent for the land where the crops were grown. Agricultural production input liens are a security interest and have priority according to chapter 336, the uniform commercial code, except as provided in subdivision 5.

Sec. 4. [514.954] [LIEN ATTACHMENT.]

Subdivision 1. [LIEN ON CROPS.] A supplier who furnishes crop production inputs has an agricultural input lien for the unpaid retail cost of the crop production inputs. The lien attaches to: (1) the existing crops upon the land where a furnished agricultural chemical was applied, or if crops are not planted, to the next production crop within 16 months following the last date on which the agricultural chemical was applied; (2) the crops produced from furnished seed; or (3) the crops produced, harvested, or processed using a furnished petroleum product. If the crops are grown on leased land and the lease provides for payment in crops, the lien does not attach to the lessor's portion of the crops. The lien continues in crop products and proceeds, except that the lien does not continue in grain after a cash sale under section 223.16.

Subd. 2. [LIEN ON LIVESTOCK.] A supplier who furnishes livestock production inputs has an agricultural production input lien for the unpaid retail cost of the livestock production input. The lien attaches to all livestock consuming the feed and continues in livestock products and proceeds. A perfected agricultural production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock.

Subd. 3. [TIME OF ATTACHMENT.] An agricultural input lien attaches when the agricultural production inputs are furnished by the supplier to the purchaser.

Sec. 5. [514.956] [PERFECTION OF LIEN; FILING.]

Subdivision 1. [PERFECTION.] To perfect an agricultural production input lien, the lien must attach and the supplier entitled to the lien must file a lien-notification statement with the appropriate filing office under section 336.9-401 by six months after the last date that the agricultural production input was furnished.

Subd. 2. [FAILURE TO PERFECT.] An agricultural production input lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.

Subd. 3. [DUTIES OF FILING OFFICER.] The filing officer shall enter on the lien-notification statement the time of day and date of filing. The filing officer shall file and note the filing of a lien-notification statement under this section in the manner provided by section 336.9-403 for a financing statement.

Sec. 6. [514.958] [ENFORCEMENT OF LIEN.]

The holder of an agricultural production input lien may enforce the lien in the manner provided in sections 336.9-501 to

336.9-508 subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person for whom the agricultural production input was furnished is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

Sec. 7. [514.959] [ENFORCEMENT ACTIONS; LIEN EXTINGUISHED.]

An action to enforce an agricultural production input lien may be brought in district court in a county where some part of the crop or livestock is located after the lien is perfected. A lien-notification statement may be amended, except the amount demanded, by leave of the court in the furtherance of justice. An agricultural production input lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien-notification statement is filed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective July 1, 1984, except that an agricultural input lien may not attach to crops planted before December 1, 1984."

Delete the title and insert:

"A bill for an act relating to commerce; including all liens on file in abstract by the county recorder; providing a lien for agricultural production inputs; establishing a procedure for priority and foreclosure requirements; amending Minnesota Statutes 1982, section 386.42; proposing new law coded in Minnesota Statutes, chapter 514."

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. 1757, A bill for an act relating to state departments and agencies; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment

without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16.02, subdivisions 18 and 24; 16.243, subdivision 1; 16.753, subdivision 5; and 645.445, subdivision 5; and Minnesota Statutes 1983 Supplement, sections 16.75, subdivision 7; and 176.011, subdivision 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 16A.065, is amended to read:

16A.065 [ADVANCE PAYMENTS AND DEPOSITS.]

Notwithstanding any other law to the contrary, the commissioner of finance may allow advance deposits or payments by any department for the procurement of software or software maintenance services for state-owned or leased electronic data processing equipment, *and may allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.*

Sec. 2. [16A.722] [REIMBURSEMENT FOR LOSS OR DAMAGE TO STATE PROPERTY, USE OF PROCEEDS.]

Notwithstanding any other law to the contrary, a state department or agency that receives a reimbursement for the loss of or damage to state property may deposit the reimbursement in the current year's account. The reimbursement is reappropriated for the purpose of replacing or repairing the state property.

COMMISSIONER OF ADMINISTRATION

Sec. 3. [16B.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of chapter 16B, the following terms have the meanings given them, unless the context clearly indicates otherwise.

Subd. 2. [AGENCY.] "Agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 3. [COMMISSIONER.] "*Commissioner*" means the commissioner of administration.

Subd. 4. [STATE CONTRACT.] "*State contract*" means any written instrument containing the elements of offer, acceptance, and consideration to which a state agency is a party.

Subd. 5. [SUPPLIES, MATERIALS, AND EQUIPMENT.] "*Supplies*," "*materials*," and "*equipment*" includes articles and things used by or furnished to an agency, including printing, binding, and publication of books and records, repairs, and improvements.

Subd. 6. [UTILITY SERVICES.] "*Utility services*" includes telephone, telegraph, postal, electric light and power service, and all other services required for the maintenance, operation, and upkeep of buildings and offices.

Sec. 4. [16B.02] [DEPARTMENT OF ADMINISTRATION.]

The department of administration is under the supervision and control of the commissioner of administration, who is appointed by the governor under section 15.06.

Sec. 5. [16B.03] [APPOINTMENTS.]

The commissioner is authorized to appoint staff, including a deputy commissioner, in accordance with chapter 43A.

Sec. 6. [16B.04] [AUTHORITY.]

Subdivision 1. [RULEMAKING AUTHORITY.] Subject to chapter 14, the commissioner may adopt, amend, and rescind rules relating to any purpose, responsibility, or authorization in chapter 16B. Rules adopted must comply with any provisions in chapter 16B which specify or restrict the adoption of particular rules.

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) approve all computer plans and contracts, and oversee the state's data processing system;

(4) *investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;*

(5) *manage and control state property, real and personal;*

(6) *maintain and operate all state buildings including the state capitol building and grounds;*

(7) *supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;*

(8) *provide central duplicating, printing, and mail facilities;*

(9) *oversee publication of official documents and provide for their sale;*

(10) *manage and operate parking facilities for state employees and a central motor pool for travel on state business; and*

(11) *establish and administer a state building code.*

Subd. 3. [DELEGATION FROM GOVERNOR.] *The governor, unless otherwise provided by law, may delegate to the commissioner the administration of programs and projects of the office of the governor directed by either state or federal law, or which may be made available to the state under a grant of funds either public or private. Unless specifically prohibited by law, the governor may delegate to the commissioner general supervision of any program or activity of any agency the head of which is either appointed by the governor or by a gubernatorial-ly appointed board. The provisions of this subdivision shall not be construed as authority to transfer programs or activities, or part of them, from one department to another.*

Sec. 7. [16B.05] [DELEGATION BY COMMISSIONER.]

Subdivision 1. [DELEGATION OF DUTIES BY COMMISSIONER.] *The commissioner may delegate duties imposed by this chapter to the head of an agency and to any of his subordinates. Delegated duties are to be exercised in the name of the commissioner and under his supervision and control.*

Subd. 2. [FACSIMILE SIGNATURES.] *When authorized by the commissioner, facsimile signatures may be used by personnel of the department of administration in accordance with his delegated authority and his instructions, copies of which shall be filed with the commissioner of finance, state treasurer, and*

the secretary of state. A facsimile signature, when used in accordance with his delegated authority and his instructions, is as effective as an original signature.

CONTRACTS AND PURCHASES

Sec. 8. [16B.06] [CONTRACT MANAGEMENT AND REVIEW.]

Subdivision 1. [DUTIES OF COMMISSIONER.] (a) [CONTRACT MANAGEMENT.] The commissioner shall perform all contract management and review functions for state contracts, except those functions performed by the contracting agency, the attorney general, or the commissioner of finance. All agencies shall fully cooperate with the commissioner in the management and review of state contracts. A delegation of the commissioner's duties under this section to the head of an agency must be filed with the secretary of state and may not, except with respect to delegations within the department of administration, exceed two years in duration.

(b) [PURCHASING.] The commissioner shall purchase, rent, or otherwise provide for the furnishing of all supplies, materials, equipment, and utility services. The commissioner may lease, rent, or sell supplies, equipment, and services to agencies. The commissioner shall purchase from the state correctional institutions, the University of Minnesota, and other state institutions all articles manufactured by them which are usable by the state. All purchase orders must be made on a form prescribed by the attorney general.

Subd. 2. [VALIDITY OF STATE CONTRACTS.] A state contract or lease is not valid and the state is not bound by it until it has first been executed by the head of the agency which is a party to the contract and has been approved in writing by the commissioner or a delegate, under this section, by the attorney general or a delegate as to form and execution, and by the commissioner of finance or a delegate who shall determine that the appropriation and allotment have been encumbered for the full amount of the contract liability. The head of the agency may delegate the execution of specific contracts or specific types of contracts to a deputy or assistant head within his agency if the delegation has been approved by the commissioner of administration and filed with the secretary of state. A copy of every contract or lease extending for a term longer than one year must be filed with the commissioner of finance.

Subd. 3. [CONTRACT ADMINISTRATION.] Upon entering into a state contract, an agency bears full responsibility for the diligent administration and monitoring of the contract. The commissioner may require an agency to report to the commis-

sioner at any time on the status of any outstanding state contract to which the agency is a party.

Subd. 4. [SUBJECT TO AUDIT.] A contract made by or under the supervision of the commissioner, an agency, or any county or unit of local government shall include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor relevant to the contract are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate.

Subd. 5. [AUTHORITY OF ATTORNEY GENERAL.] The attorney general may sue to avoid the obligation of an agency to pay under a state contract or to recover payments made if services performed under the contract are so unsatisfactory, incomplete, or inconsistent with the price that payment would involve unjust enrichment. The contrary opinion of the contracting agency does not affect the power of the attorney general under this subdivision.

Sec. 9. [16B.07] [COMPETITIVE BIDS.]

Subdivision 1. [APPLICATION.] Except as otherwise provided by this chapter, all contracts for construction or repairs and all purchases of and all contracts for supplies, materials, purchase or rental of equipment, and utility services must be based on competitive bids, and all sales of property must be to the highest responsible bidder after advertising for bids pursuant to this section.

Subd. 2. [REQUIREMENT CONTRACTS.] Standard requirement price contracts for supplies or services to be purchased by the state must be established by competitive bids. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. The term of these contracts may not exceed two years with an option on the part of the state to renew for an additional two years.

Subd. 3. [PUBLICATION OF NOTICE; EXPENDITURES OVER \$5,000.] If the amount of an expenditure or sale is estimated to exceed \$5,000, sealed bids must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for that publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to the commissioner, and by posting notice on a public bulletin board in the commissioner's office at least five days before the final date of submitting bids.

All bids must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Subd. 4. [PURCHASES, SALES, OR RENTALS; \$5,000 OR LESS.] *All purchases or sales the amount of which is estimated to be \$5,000 or less may be made either upon competitive bids or in the open market, in the discretion of the commissioner. So far as practicable, however, they must be based on at least three competitive bids which must be permanently recorded.*

Subd. 5. [STANDARD SPECIFICATIONS, SECURITY.] *Contracts and purchases must be based on the standard specifications prescribed and enforced by the commissioner under this chapter, unless otherwise expressly provided. Each bidder for a contract must furnish security approved by the commissioner to ensure the making of the contract for which he bids.*

Sec. 10. [16B.08] [BIDS NOT REQUIRED.]

Subdivision 1. [UTILITY SERVICES.] *Competitive bids are not required for utility services where no competition exists or where rates are fixed by law or ordinance.*

Subd. 2. [SINGLE SOURCE OF SUPPLY.] *Competitive bidding is not required for purchases clearly and legitimately limited to a single source of supply, and the purchase price may be best established by direct negotiation.*

Subd. 3. [AUCTION IN LIEU OF BIDS.] *The commissioner, in lieu of advertising for bids, may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. A sale under this subdivision may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising the commissioner directs. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees must be paid from the proceeds from which an amount sufficient to pay them is appropriated.*

Subd. 4. [NEGOTIATED CONTRACTS.] *In lieu of any of the other requirements of this chapter, the commissioner may negotiate a contract for public work to be performed at a state owned institution or installation if the cost does not exceed \$5,000 and if the head of the affected state agency requests the commissioner to do so. The commissioner shall have prepared whatever plans and specifications for the public work he deems*

necessary to protect the public interest. Contractor's bonds or security pursuant to chapter 574 are not required for contracts entered into pursuant to this subdivision.

Subd. 5. [FEDERAL GENERAL SERVICES ADMINISTRATION PRICE SCHEDULES.] *Notwithstanding anything in this chapter to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to the general services administration of the United States. These contracts may be entered into, regardless of the amount of the purchase price, if the commissioner considers them advantageous and if the purchase price of all the commodities purchased under the contract do not exceed the price specified by the schedule.*

Subd. 6. [EMERGENCY PURCHASES.] *In emergencies the commissioner may, without calling for bids, contract directly for the repair, rehabilitation, and improvement of a state owned structure or may authorize an agency to do so, and may purchase or may authorize an agency to purchase directly supplies, materials, equipment, or utility services for immediate use. An emergency for the purposes of this subdivision is an unforeseen occurrence or combination of circumstances which calls for immediate action in the public interest.*

Subd. 7. [SPECIFIC PURCHASES.] *The following may be purchased without regard to the competitive bidding requirements of this chapter:*

(1) *fiber used in the manufacture of binder twine, ply twines, and rope at the state correctional facilities;*

(2) *merchandise for resale at state park refectories or facility operations;*

(3) *farm and garden products, which may be sold at the prevailing market price on the date of the sale;*

(4) *meat for other state institutions from the vocational school maintained at Pipestone by Independent School District No. 583; and*

(5) *furniture from the Minnesota correctional facility-St. Cloud.*

Sec. 11. [16B.09] [CONTRACTS AND PURCHASES, AWARD.]

Subdivision 1. [LOWEST RESPONSIBLE BIDDER.] *All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are*

required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any bid may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

Subd. 2. [ALTERATIONS AND ERASURES.] A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected pursuant to this subdivision. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed in ink by the person signing the bid.

Subd. 3. [SPECIAL CIRCUMSTANCES.] The commissioner may reject the bid of any bidder who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may, in his discretion, use negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price.

Subd. 4. [RECORD.] A record must be kept of all bids, including names of bidders, amounts of bids, and each successful bid. This record is open to public inspection.

Sec. 12. [16B.10] [RECIPROCAL PREFERENCE.]

Subdivision 1. [RESIDENT PREFERENCE.] When a public contract is to be awarded to the lowest responsible bidder a resident bidder must be given preference over a nonresident bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.

Subd. 2. [DEFINITION.] "Resident bidder" as used in this section means a person, firm, or corporation authorized to engage in business in the state of Minnesota and having a bona fide establishment for doing business within the state of Minnesota on the date when any bid for a public contract is first advertised or announced, and includes a foreign corporation authorized to engage in business in Minnesota and having a bona fide establishment for the doing of business within the state.

Subd. 3. [EXCEPTION.] The provisions of subdivisions 1 and 2 do not apply to a contract for a project for which federal funds are available.

Sec. 13. [16B.11] [PREFERENCE FOR MINNESOTA CONTRACTORS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "Municipality" has the meaning assigned to it in section 471.345, subdivision 1;

(b) "Public agency" includes all state agencies, the University of Minnesota, the state university board, and the state board for community colleges;

(c) "Resident" means:

(1) any individual who has been a resident of Minnesota for one year or more immediately prior to bidding on or performing work under the contract;

(2) any partnership or association whose members have been residents of Minnesota for one year or more immediately prior to bidding on or performing work under the contract; and

(3) a corporation, incorporated in Minnesota, which has been in existence for one year or more immediately prior to bidding on or performing work under the contract, or which has its principal place of business in Minnesota; and

(d) "State agency" means an agency as defined in section 14.02, subdivision 2.

Subd. 2. [RESIDENT CONTRACTORS PREFERRED.] Notwithstanding any other law to the contrary, a contract awarded by a public agency for the engineering services, erection, construction, alteration, or repair of a public building or structure, or for any public work or improvement for which competitive bidding is not required by law, must be awarded to a Minnesota resident. If competitive bidding is required by law, the contract must be awarded to the resident making the lowest responsible bid if the resident's bid is not more than ten percent higher than the lowest responsible nonresident bid. A successful resident bidder may not subcontract more than 20 percent of the work covered by the contract to nonresident subcontractors.

Subd. 3. [MINNESOTA LABOR PREFERRED.] All contracts subject to subdivision 2 must require that, wherever possible, resident laborers, workers, and mechanics be used to perform all work covered by the contract.

Subd. 4. [PREFERENCE SUBJECT TO FEDERAL LAW.] The provisions of this section are subject to applicable laws of

the United States and regulations of federal agencies governing the use and payment of funds granted or advanced by the United States.

Sec. 14. [16B.12] [PREFERENCE FOR MINNESOTA AND AMERICAN MADE MATERIALS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Public agency" has the meaning assigned to it in section 13, subdivision 1, clause (b), and includes any contractor acting pursuant to a contract with a public agency;

(b) "Materials" means any goods, supplies, equipment, or any other tangible products or materials, including foods;

(c) "Manufactured" means mined, grown, produced, manufactured, fabricated, or assembled;

(d) "Manufactured in Minnesota" means manufactured in whole or in substantial part within Minnesota, or that the majority of its components were manufactured in whole or in substantial part in Minnesota, or manufactured in the United States by an individual, corporation, partnership, or association;

(e) "Manufactured in the United States" means manufactured in whole or in substantial part within the United States or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States;

(f) "Purchase" means acquire by purchase or lease.

Subd. 2. [PURCHASE PREFERENCE.] Notwithstanding the provisions of any other law to the contrary, no materials may be purchased by a public agency for use for governmental purposes which are not manufactured in Minnesota or the United States, except as may be provided in this section. When all other factors are substantially equal, preference must be given first to those products which are manufactured to the greatest extent in Minnesota, and second to those products which are manufactured to the greatest extent in the United States. To the extent possible, specifications must be written so as to permit the public agency to purchase materials manufactured in Minnesota.

Subd. 3. [EXEMPTIONS.] Subdivision 2 does not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not manufactured in Minnesota or the United States in sufficient or reasonably available quantities, (2) the price or bid of the materials ex-

ceeds by more than ten percent the price or bid of available and comparable materials manufactured outside of Minnesota or the United States, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of Minnesota or the United States, or (4) the purchase of the materials manufactured in Minnesota or the United States is otherwise not in the public interest. Subdivision 2 also does not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale.

SPECIAL PURCHASING SITUATIONS

Sec. 15. [16B.13] [ADVERTISEMENT OF HIGHWAY CONTRACTS.]

Notwithstanding anything in chapter 16B to the contrary, all contracts for the repair, improvement, maintenance, or construction of highways or highway bridges must be advertised and let as provided by law for highway construction contracts.

Sec. 16. [16B.14] [CERTAIN VEHICLES.]

Upon the written request of the commissioner of public safety, motor vehicles for specific use by investigative and undercover agents of the department of public safety must be purchased by the brand make and model. All other provisions of this chapter relating to competitive bidding apply to purchases covered by this section.

Sec. 17. [16B.15] [ELECTRONIC DATA PROCESSING EQUIPMENT.]

Subdivision 1. [COMMISSIONER MAY REJECT BIDS.] The commissioner may reject all bids for electronic data processing equipment, related equipment, and software and may negotiate a contract for this equipment if the commissioner finds the bids to be unsatisfactory because of failure to fully comply with the specifications, terms, and conditions of the call for bids. The contract must be awarded to the vendor offering the lowest price to the state taking into consideration the specifications, terms, and conditions agreed upon pursuant to negotiation.

Subd. 2. [EQUIPMENT.] The commissioner may purchase, sell, repurchase or otherwise undertake the acquisition, rental or disposal of electronic data processing equipment as best serves the interests of the state; provided, however, the commissioner shall adhere to the competitive bidding requirements of chapter 16.

Sec. 18. [16B.16] [ENERGY EFFICIENCY INSTALLMENT PURCHASES.] *The commissioner shall contract to*

purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility if:

- (1) the term of the contract does not exceed ten years;*
- (2) the entire cost of the contract is a percentage of the resultant savings in energy costs;*
- (3) the contract for purchase is competitive; and*
- (4) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.*

The commissioner may spend money appropriated for energy costs in payment of a contract under this section.

Sec. 19. [16B.17] [CONSULTANTS AND TECHNICAL SERVICES.]

Subdivision 1. [TERMS.] For purposes of this section, the following terms have the meanings given them:

(a) [CONSULTANT SERVICES.] "Consultant services" means services which are intellectual in character; which do not involve the provision of supplies or materials; which include analysis, evaluation, prediction, planning, or recommendation; and which result in the production of a report.

(b) [PROFESSIONAL AND TECHNICAL SERVICES.] "Professional and technical services" means services which are predominantly intellectual in character; which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND TECHNICAL SERVICES CONTRACTS.]
Before approving a proposed state contract for consultant services or professional and technical services the commissioner must determine, at least, that:

- (1) all provisions of section 21 and subdivision 3 of this section have been verified or complied with;*
- (2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;*
- (3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;*

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; and

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed.

Subd. 3. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a consultant or professional and technical services contract valued in excess of \$2,000, it must certify to the commissioner that:

(1) no state employee is able to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) the services are not available as a product of a prior consultant or professional and technical services contract, and the contractor has certified that the product of his services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract;

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; and

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services.

Subd. 4. [REPORTS.] After completion of performance under a consultant or professional and technical services contract, the agency shall evaluate the performance under the contract and the utility of the final product. This evaluation must be delivered to the commissioner, who shall retain all the evaluations for future reference. The commissioner shall submit to the governor and the legislature a monthly listing of all contracts for consultant services and for professional and technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly

reports summarizing the contract review activities of the department during the preceding quarter.

Subd. 5. [CONTRACT TERMS.] *A consultant or technical and professional services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is to be a report, no more than three copies of the report, one in camera ready form, shall be submitted to the agency. One of the copies must be filed with the legislative reference library.*

Sec. 20. [16B.18] [SHELTERED WORKSHOPS; PROCUREMENT OF PRODUCTS AND SERVICES; WORK ACTIVITY PROGRAMS.]

Subdivision 1. [PRODUCT AND SERVICE LIST.] *The commissioner in consultation with the commissioner of economic security shall prepare a list containing products and services of state certified sheltered workshops and work activity programs for procurement use by state agencies and institutions. The commissioner shall determine the fair market price for listed products and services. In determining the fair market price the commissioner shall consider (1) open market bid prices in previous years for similar products and services, and (2) cost increases for both labor and materials. The price paid may not exceed by more than five percent the fair market price. State agencies and institutions shall, after promulgation of the product and service list by the commissioner, procure listed products and services from sheltered workshops and work activity programs in preference to procurement from other suppliers or sources with the exceptions in this section. The provisions of this chapter relating to competitive bidding do not apply to purchases made in accordance with this section.*

Subd. 2. [PRODUCTS AND SERVICES AVAILABLE ELSEWHERE.] *When any listed products or services are available for procurement from any state agency or institution and procurement from the agency or institution is required by law, the procurement must be made in accordance with that law.*

Subd. 3. [RULES.] *Rules under this section may provide a procedure by which the commissioner shall determine product specifications, quality standards, and timing of delivery to be complied with by the sheltered workshop and work activity program boards on purchases made under this section. The list to be prepared pursuant to subdivision 1 shall not be promulgated as a rule.*

Subd. 4. [SELECTION OF NONPROFIT CORPORATION.] *The commissioner may select a nonprofit corporation*

organized under chapter 317 to facilitate distribution of orders among sheltered workshops and work activity programs. The corporation shall distribute orders so as to afford each sheltered workshop and work activity program an equal opportunity to obtain orders.

Sec. 21. [16B.19] [PROCUREMENT FROM SMALL BUSINESSES.]

Subdivision 1. [SMALL BUSINESS AND MINNESOTA CORRECTIONAL INDUSTRIES SET-ASIDES.] The commissioner shall for each fiscal year designate and set aside for awarding to small businesses and Minnesota correctional industries approximately 25 percent of the value of anticipated total state procurement of goods and services including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses and Minnesota correctional industries. In making his annual designation of set-aside procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are set aside each year, and (2) to designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to set aside particular procurements shall not be deemed to prohibit or discourage small businesses or Minnesota correctional industries from seeking the procurement award through the normal solicitation and bidding processes.

Subd. 2. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate and set aside for awarding to small businesses with their principal place of business in Minnesota approximately 25 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 19 and the set-aside for businesses owned and operated by socially or economically disadvantaged persons.

Subd. 3. [NEGOTIATED PRICE OR BID CONTRACT.] The commissioner may elect to use either a negotiated price or bid contract procedure in the awarding of a procurement contract under the set-aside program established in sections 21 to 24. The amount of an award may not exceed by more than five percent the commissioner's estimated price for the goods or ser-

vices, if they were to be purchased on the open market and not under this set-aside program. Surety bonds guaranteed by the federal Small Business Administration and second party bonds are acceptable security for a construction award under this section. "Second party bond" means a bond which designates as principal, guarantor, or both, a person or persons in addition to the person to whom the contract is proposed for award.

Subd. 4. [DETERMINATION OF ABILITY TO PERFORM.] Before announcing a set-aside award, the commissioner shall evaluate whether the small business or Minnesota correctional industry scheduled to receive the award is able to perform the set-aside contract. This shall be done in consultation with an authorized agent of the Minnesota correctional industries program. This determination shall include consideration of production and financial capacity and technical competence.

Subd. 5. [PREFERENCE TO SMALL BUSINESSES.] At least 24 percent of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons as defined in section 645.445. The commissioner shall designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner. In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least 24 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to other small businesses. At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to which the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner may not designate more than 20 percent of any commodity class for set-aside to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than five percent of the value of the total anticipated set-aside procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside awards for that fiscal year.

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant

to section 19 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons. Any subcontracting pursuant to this subdivision may not be included in determining the total amount of set-aside awards required by subdivisions 1, 1a, and 4, or any preference program authorized by the commissioner pursuant to section 24. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work on the prime contract and the dollar amount of the work performed.

Subd. 7. [PREFERENCE TO MINNESOTA CORRECTIONAL INDUSTRIES.] At least 15 percent of the value of procurements designated for set-aside awards shall be awarded, if possible, to Minnesota correctional industries, established and under the control of the commissioner of corrections under section 241.27, for the variety of goods and services produced by the Minnesota correctional industries, unless the commissioner of corrections acting through an authorized agent certifies that Minnesota correctional industries cannot provide them. If the correctional industries are unable to perform at least 15 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to small businesses.

Subd. 8. [RECOURSE TO OTHER BUSINESSES.] In the event that subdivisions 1 to 4b do not operate to extend a contract award to a small business or the Minnesota correctional industries, the award must be placed pursuant to the normal solicitation and award provisions in this chapter. The commissioner shall then designate and set aside for small businesses or the Minnesota correctional industries additional state procurements corresponding in approximate value to the contract unable to be awarded pursuant to subdivisions 1 to 4b.

Subd. 9. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract

awards, and other procurement matters apply equally to procurements set aside for small businesses or Minnesota correctional industries. In the event of conflict with other rules, sections 21 to 24 and rules adopted under those sections govern.

Sec. 22. [16B.20] [ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioners of administration and energy and economic development shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, the commissioner shall inform the commissioner of energy and economic development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of energy and economic development in cooperation with the commissioner of administration shall use management or financial assistance programs made available by or through the department of energy and economic development, other state or governmental agencies, or private sources.

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the governor. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.

Subd. 3. [DUTIES.] The small business procurement advisory council shall:

(1) advise the commissioner of administration on matters relating to the small business procurement program;

(2) review complaints or grievances from small business vendors or contractors who are doing or attempting to do business under the program; and

(3) review the reports of the commissioners of administration and energy and economic development provided by section 23 to ensure compliance with the goals of the program.

Sec. 23. [16B.21] [REPORTS.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a

copy to the commissioner of energy and economic development indicating the progress being made toward the objectives and goals of sections 21 to 24 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(3) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect; and

(4) the number of contracts which were designated and set aside pursuant to section 21 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Subd. 2. [COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT.] The commissioner of energy and economic development shall submit an annual report to the governor and the legislature pursuant to section 3.195 with a copy to the commissioner of administration. This report shall include the following information:

(1) the efforts undertaken to publicize the provisions of the set-aside program during the preceding fiscal year;

(2) the efforts undertaken to identify small businesses including those owned and operated by socially or economically

disadvantaged persons, and the efforts undertaken to encourage participation in the set-aside program;

(3) the efforts undertaken by the commissioner to remedy the inability of small businesses to perform on potential set-aside awards; and

(4) the commissioner's recommendations for strengthening the set-aside program and delivery of services to small businesses.

Sec. 24. [16B.22] [RULES.]

The commissioner shall adopt by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 21 to 24. The rules shall provide that certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 21 to 24.

The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under sections 21 to 24.

The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each preference program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 25. [16B.23] [DISTRICT HEATING.]

Notwithstanding any other law, general or special, the commissioner of administration is authorized to enter into or approve a written agreement not to exceed 31 years with a district

heating utility that will specify, but not be limited to, the appropriate terms and conditions for the interchange of district heating services.

MANAGEMENT OF STATE PROPERTY

Sec. 26. [16B.24] [GENERAL AUTHORITY.]

Subdivision 1. [OPERATION AND MAINTENANCE OF BUILDINGS.] The commissioner is authorized to maintain and operate the state capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the capitol area architectural and planning board and the commissioner pursuant to section 15.50, subdivision 2, clause (h), and the state office building, the historical society building, the Normandale, Anoka-Ramsey, North Hennepin, Lakewood, Metropolitan, and South East Metropolitan Community Colleges, the employment services buildings in Minneapolis and St. Paul, the state department of health building, and the surplus property building, and their grounds, and, when the commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the capitol and state buildings to make an equitable division of available space among agencies. The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Subd. 2. [REPAIRS.] The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except structures, other than buildings, under the control of the state transportation department; provided that all repairs to the public and ceremonial areas and the exterior of the state capitol building shall be carried out subject to the standards and policies of the capitol area architectural and planning board and the commissioner of administration adopted pursuant to section 15.50, subdivision 2, clause (h).

Subd. 3. [DISPOSAL OF OLD BUILDINGS.] The commissioner, upon request of the head of an agency which has control of a state owned building which is no longer used or which is a fire or safety hazard, shall, after obtaining approval of the chairmen of the senate finance committee and house of representatives appropriations committee, sell, wreck, or otherwise dispose of the building. In the event a sale is made the proceeds shall be deposited in the proper account or in the general fund.

Subd. 4. [INSPECTIONS; APPRAISALS; INVENTORIES.] The commissioner shall provide for the periodic inspection and appraisal of all state property, real and personal, and for current and perpetual inventories of all state property.

The commissioner shall require agencies to make reports of the real and personal property in their custody at the intervals and in the form the commissioner considers necessary.

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) **[AUTHORITY.]** *The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than two years at a time without the approval of the state executive council, and may never be rented out for more than 25 years.*

(b) **[RESTRICTIONS.]** *Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.*

(c) **[FORT SNELLING CHAPEL; RENTAL.]** *The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.*

(d) **[RENTAL OF LIVING ACCOMMODATIONS.]** *The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.*

(e) **[LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.]** *The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general fund.*

Subd. 6. [PROPERTY RENTAL.] (a) **[LEASES.]** *The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land*

or premises for the same use. The commissioner may not rent nonstate-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

Subd. 7. [POWER, HEATING, AND LIGHTING PLANTS.] The commissioner shall inspect all state power, heating, and lighting plants, make rules governing their operation, and recommend improvements in the plants which will promote their economical and efficient operation.

Subd. 8. [REGIONAL SERVICE CENTER.] The commissioner may establish a regional service center on a demonstration basis. The commissioner shall select agencies to participate in the demonstration service center and determine equitable methods of sharing space, personnel and equipment. The commissioner may enter into a lease for a base term of five years with a five year leasehold renewal option to acquire suitable space for the service center.

Sec. 27. [16B.25] [LOST PROPERTY ON STATE LANDS.]

Subdivision 1. [PERMITS.] The commissioner may grant a permit to search upon lands, highways, or in buildings owned by the state for lost or abandoned property. Conditions of a permit may include a formula for dividing between the state and the finder the proceeds of any property found and unclaimed.

Subd. 2. [NOTICE.] Lost or abandoned property found on state lands is placed in the custody of the commissioner. If the rightful owner is known, the owner must be notified by certified mail and may reclaim the property on paying the expenses of the search. If the owner is unknown, the commissioner must give two weeks' published notice in the county where the property was found. Within six months following publication, the rightful owner may receive the property on paying the search expenses.

Subd. 3. [DISPOSAL.] Unclaimed property may be sold at public sale, disposed of as state surplus property, or destroyed, based on the commissioner's judgment of its value.

Subd. 4. [MONEY.] All lost or abandoned money found under a permit granted pursuant to this section, and the proceeds from the sale of other abandoned or lost property found under a permit, must be deposited in the general fund.

Sec. 28. [16B.26] [UTILITY COMPANIES, PERMITS TO CROSS STATE-OWNED LANDS.]

Subdivision 1. [EASEMENTS.] (a) [AUTHORITY.] Except where the authority conferred by this section has been imposed on some other state or county office, the commissioner may grant an easement or permit over, under, or across any land owned by the state for the purpose of constructing roads, streets, telephone, telegraph, and electric power lines, cables or conduits, underground or otherwise, or mains or pipe lines for gas, liquids, or solids in suspension. This authority does not apply to land under the jurisdiction of the commissioner of natural resources or land obtained for trunk highway purposes.

(b) [NOTICE OF REVOCATION.] An easement or permit is revocable by written notice given by the commissioner if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the record holder of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement, the commissioner may allow a reasonable time to vacate the premises affected.

(c) [EASEMENT RUNS WITH LAND.] State land subject to an easement or permit granted by the commissioner remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Subd. 2. [LAND CONTROLLED BY OTHER AGENCIES.] If the easement or permit involves land under the jurisdiction

of an agency other than the department of administration, it is subject to the approval of the head of the agency and is subject to revocation by the commissioner as provided in this section, on request of the head of the agency.

Subd. 3. [APPLICATION.] An application for easement or permit under this section must be in quadruplicate and must include; a legal description of the land affected; a map showing the area affected by the easement or permit; and a detailed design of any structures to be placed on the land. The commissioner may require that the application be in another form and include other descriptions, maps, or designs. The commissioner may at any time order changes or modifications respecting construction or maintenance of structures or other conditions of the easement which the commissioner finds necessary to protect the public health and safety.

Subd. 4. [FORM; DURATION.] The easement or permit must be in a form prescribed by the attorney general and must describe the location of the easement granted. The easement or permit continues until revoked by the commissioner, subject to change or modification as provided in this section.

Subd. 5. [CONSIDERATION; TERMS.] The commissioner may prescribe consideration and conditions for granting an easement or permit. Money received by the state under this section must be credited to the fund to which income or proceeds of sale from the land would be credited, if provision for the sale is made by law. Otherwise, it must be credited to the general fund.

Sec. 29. [16B.27] [GOVERNOR'S RESIDENCE.]

Subdivision 1. [USE.] The governor's residence must be used for official ceremonial functions of the state, and to provide suitable living quarters for the governor of the state.

Subd. 2. [MAINTENANCE.] The commissioner shall maintain the governor's residence in the same way as other state buildings are maintained and shall rehabilitate, decorate, and furnish the building. The decoration and furnishing shall be guided by the governor's residence council.

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 15 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of

Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota Chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chairman and a secretary from among its members. The council shall expire on the date provided by section 15.059, subdivision 5.

Subd. 4. [DUTIES.] The council shall develop an overall restoration plan for the governor's residence and surrounding grounds and approve alterations in the existing structure.

Subd. 5. [GIFTS.] (a) To maintain and improve the quality of furnishings for the public areas of the building, the council may solicit and accept donated money, furnishings, objects of art and other items the council determines may have historical value in keeping with the building's period and purpose. The gift acceptance procedures of sections 7.09 to 7.12 do not apply to this subdivision.

(b) Notwithstanding sections 7.09 to 7.12, the council may solicit contributions for the renovation of and capital improvements to the governor's residence.

(c) Gifts for the benefit of the governor's residence and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 30. [16B.28] [SURPLUS FEDERAL PROPERTY.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meanings given them:

(a) "Surplus property" means commodities, equipment, materials, supplies, books, printed matter, and other property made available by the federal government to a governmental or non-profit organization.

(b) "Governmental or nonprofit organization" means the state of Minnesota, its departments, agencies, political subdivisions, and other instrumentalities, and any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, or other institution organized and existing for any purpose authorized by federal law to accept surplus property.

Subd. 2. [AUTHORIZATION.] The commissioner is the state agency designated to purchase or accept surplus property

for the state and for the benefit of any other governmental or nonprofit organization for any purpose authorized by federal law and in accordance with federal rules and regulations. Any governmental or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may store surplus property until it is needed and any expenses incurred in connection with the storage shall be paid from the surplus property revolving fund.

Subd. 3. [REVOLVING FUND.] (a) [CREATION.] To pay for surplus property received from the federal government for governmental or nonprofit organizations, including the expense of accepting and distributing that property, there is a surplus property revolving fund in the state treasury. Money paid into the surplus property revolving fund is appropriated to the commissioner for the purposes of this section.

(b) [ADVANCES.] No more than \$1,000 from the surplus property revolving fund may be advanced to the commissioner or a state employee engaged in performing duties under this section to pay the expenses of travel, subsistence, toll charges, and similar expenses, in accordance with requirements prescribed by the commissioner of finance. When money which was advanced is repaid, it must be deposited in the state treasury to the credit of the surplus property revolving fund.

(c) [TRANSFER TO STATE AGENCY.] When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance must, at the commissioner's request, transfer the cost of the property, including any expenses of accepting and distributing the property, from the appropriation of the state agency receiving the surplus property to the surplus property revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.

(d) [TRANSFER TO OTHER AGENCIES.] When any governmental or nonprofit organization other than a state agency receives surplus property from the commissioner, the governmental or nonprofit organization must reimburse the surplus property revolving fund for the cost of the property, including the expenses of accepting and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental or nonprofit organization to deposit in advance in the surplus property revolving fund the cost of the surplus property upon mutually agreeable terms and conditions.

Sec. 31. [16B.29] [STATE SURPLUS PROPERTY; DISPOSAL.]

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials and equipment at any time during the biennium in which the sale occurred.

CAPITAL IMPROVEMENTS

Sec. 32. [16B.30] [GENERAL AUTHORITY.]

Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures.

Sec. 33. [16B.31] [COMMISSIONER MUST APPROVE PLANS.]

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures, and other improvements except highways and bridges; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

Subd. 2. [APPROPRIATIONS.] Plans must be paid for out of money appropriated for the purpose of improving or constructing the building. No part of the balance may be expended until the commissioner has secured suitable plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this section or the act making the appropriation. The commissioner may not direct or permit any expenditure beyond that appropriated, and any agent of the commissioner violating this provision is guilty of a gross misdemeanor.

Subd. 3. [FEDERAL AID.] (a) [ACCEPTANCE OF AID.] *The commissioner is the state agency empowered to accept money provided for or made available to this state by the United States of America or any federal department or agency for the construction and equipping of any building for state purposes not otherwise provided for by law, other than University of Minnesota buildings, in accordance with the provisions of federal law and any rules or regulations promulgated under federal law. The commissioner may do whatever is required of this state by federal law, rules, and regulations in order to obtain the federal money.*

(b) [FEDERAL FUNDS CONSIDERED PART OF APPROPRIATION.] *The commissioner may after consultation with the chairmen of the senate finance committee and house of representatives appropriations committee, adopt a plan, provide for an improvement, or construct a building that contemplates expenditure for its completion of more money than the appropriation for it, if the excess money is provided by the United States government and granted to the state of Minnesota under federal law or any rule or regulation promulgated under federal law. This federal money, for the purpose of this section, is a part of the appropriation for the project.*

(c) [DELAYED FEDERAL MONEY.] *If an amount is payable to a creditor of the state from a project account which is financed partly with federal money and the project is included in appropriations made to the commissioner for public buildings and equipment, and the amount cannot be paid on time because of a deficiency of money in the project account caused by a delay in the receipt of federal money, the commissioner may provide money needed to pay the amount by temporarily transferring the sum to the project account from any other appropriation made to the commissioner in the same act. Required money for a payment is appropriated for that purpose. When the delayed federal money is received, the commissioner shall have the amount of money transferred returned to the account from which it came.*

Subd. 4. [CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD.] (a) [COMPREHENSIVE USE PLAN; COMPETITIONS.] *Notwithstanding any provision of this section to the contrary, plans for proposed new buildings and for features of existing public buildings in the capitol area which the capitol area architectural and planning board consider to possess architectural significance are subject to section 15.50, subdivision 2, clauses (c) and (e).*

(b) [APPROVAL REQUIRED.] *The preparation of plans and specifications for the capitol area, as defined in section 15.50, may not be initiated, contracted for, or conducted without consultation with the capitol area architectural and planning board to the extent the plans and specifications involve the public and ceremonial areas and the exterior of the capitol building*

and the lobbies, public concourses, and other features of other public buildings in the capitol area which the capitol area architectural and planning board considers to have architectural significance. The commissioner may not approve or adopt plans or specifications for the capitol area unless they have been approved by the capitol area architectural and planning board. The capitol area architectural and planning board must also be advised of and approve changes in plans and specifications which affect projects within the capitol area.

Sec. 34. [16B.32] [ALTERNATIVE ENERGY SOURCES.]

Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.

Sec. 35. [16B.33] [DESIGNER SELECTION BOARD.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Agency" has the meaning given in section 3, and also includes the University of Minnesota.

(b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(c) "Board" means the state designer selection board.

(d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(g) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.

(i) "User agency" means the agency undertaking a specific project.

Subd. 2. [ORGANIZATION OF BOARD.] (a) [MEMBERSHIP.] *The state designer selection board consists of five individuals, the majority of whom must be Minnesota residents. Each of the following three organizations shall nominate one individual whose name and qualifications shall be submitted to the governor for consideration: the consulting engineers council of Minnesota after consultation with other professional engineering societies in the state; the Minnesota society of architects; and the Minnesota board of the arts. The governor may appoint the three named individuals to the board with the advice and consent of the senate, but the governor may reject a nominated individual and request another nomination. The remaining two members shall also be appointed by the governor with the advice and consent of the senate.*

(b) [NON-VOTING MEMBERS.] *In addition to the five members of the board, two non-voting members shall participate in the interviewing and selection of designers pursuant to this section. One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.*

(c) [TERMS; COMPENSATION; REMOVAL; VACANCIES.] *The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.*

(d) [OFFICERS, RULES.] *At its first meeting, the board shall elect a voting member of the board as chairman. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chairman and other officers.*

(e) [MEETINGS.] *The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.*

(f) [OFFICE, STAFF, RECORDS.] *The department of administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the department of administration to serve as executive secretary to the board and*

shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.

Subd. 3. [AGENCIES MUST REQUEST DESIGNER.] (a) [APPLICATION.] *Upon undertaking a project with an estimated cost greater than \$400,000 or a planning project with estimated fees greater than \$35,000, every user agency, except the capitol area architectural and planning board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.*

(b) [REACTIVATED PROJECT.] *If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.*

(c) [FEE LIMIT REACHED AFTER DESIGNER SELECTED.] *If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.*

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] *Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.*

(b) [CONFLICT OF INTEREST.] *The board may not select a designer or firm in which a member of the designer selection board has a current financial interest.*

(c) [SELECTION BY COMMISSIONER.] *In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.*

(d) [SECOND SELECTION.] *If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.*

(e) [SIXTY DAYS TO SELECT.] *If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.*

(f) [LESS THAN SATISFACTORY PERFORMANCE.] *The commissioner, or the University of Minnesota for projects under its supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.*

Sec. 36. [16B.34] [INMATE LABOR.]

At a state institution or state park or in the maintenance of a state armory, an appropriation for construction, improvements, or maintenance may be expended through the use of inmate or project labor when authorized by the commissioner with the concurrence of the head of the interested state department.

Sec. 37. [16B.35] [ART IN STATE BUILDINGS.]

Subdivision 1. [PERCENT OF APPROPRIATIONS FOR ART.] An appropriation for the construction or alteration of any state building may contain an amount not to exceed one per-

cent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

Subd. 2. [EXEMPT BUILDINGS.] A building for which the appropriation is less than \$500,000 for construction or alteration or a building for which the commissioner of administration has determined that this section is inappropriate is exempt from the requirements of this section.

Subd. 3. [UNUSED FUNDS.] If an amount made available under subdivision 1 is not expended for works of art for the building, the unexpended portion is available to the Minnesota board of the arts for the commission or purchase of works of art for state buildings existing or for which an appropriation was made prior to June 15, 1983, and is not available to pay construction costs of the building.

SERVICES TO STATE AGENCIES

Sec. 38. [16B.36] [INVESTIGATIONS.]

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible.

Subd. 2. [HEARINGS.] The commissioner shall recommend to the legislature any necessary changes in the laws of the state as a result of a survey or investigation, or otherwise, in order to secure a better organization of the state government or greater efficiency and economy in administration. For this purpose, the commissioner may hold hearings, and issue subpoenas for and compel the attendance of witnesses, the giving of testimony, and the production of books, records, accounts, documents, and papers, as provided in section 15.08.

Sec. 39. [16B.37] [REORGANIZATION OF AGENCIES.]

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been

in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year.

Subd. 2. [REORGANIZATION ORDER.] *A transfer made pursuant to subdivision 1 must be in the form of a reorganization order. A reorganization order must be filed with the secretary of state, be uniform in format, and be numbered consecutively. An order is effective upon filing with the secretary of state and remains in effect until amended or superseded. Copies of the filed order must be delivered promptly by the commissioner to the secretary of the senate, the chief clerk of the house, and the chairmen of the governmental operations committees in the senate and house of representatives. A reorganization order which transfers all or substantially all of the powers or duties or personnel of a department, the housing finance agency, or the pollution control agency is not effective until it is ratified by concurrent resolution or enacted into law.*

Subd. 3. [APPROPRIATION.] *The commissioner of finance shall determine the fractional part of the appropriation to the transferor agency that is represented by the transferred personnel, power, or duty, and that part of the appropriation is reappropriated to the transferee agency.*

Subd. 4. [WORK OF DEPARTMENT FOR ANOTHER.] *To avoid duplication and improve efficiency, the commissioner may direct an agency to do work for another agency or may direct a division or section of an agency to do work for another division or section within the same agency and shall require reimbursement for the work. Reimbursements received by an agency are reappropriated to the account making the original expenditure in accordance with the transfer warrant procedure established by the commissioner of finance.*

Subd. 5. [EMPLOYEES ASSIGNED.] *With the approval of the governor and by agreement of the heads of the departments or agencies concerned, any appointive subordinate officer or employee of a department or agency may be employed by or assigned to perform duties under another department or agency.*

Sec. 40. [16B.38] [DISSOLVED OR SUSPENDED AGENCIES.]

The commissioner shall undertake all necessary administrative functions of an agency which has been temporarily or permanently dissolved or suspended. These functions may include but are not limited to: authorizing payment of all obligations of the dissolved or suspended agency including payroll certifications; serving as custodian for and disposing of all property of the

agency; and, in the event that the agency is only temporarily dissolved or suspended, serving as its chief administrative officer with all necessary powers until the agency is reconstituted. To implement these responsibilities the commissioner may spend any necessary money from a dissolved or suspended agency's appropriation.

Sec. 41. [16B.39] [PROGRAMS FOR STATE EMPLOYEES.]

Subdivision 1. [STATE EMPLOYEES SUGGESTION BOARD.] The state employees suggestion board is composed of seven members appointed by the governor, each of whom is a state officer or employee. The board shall annually elect a member to be chairman. For the purposes of this section, "board" means the state employees suggestion board. The membership terms, expenses, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members do not receive the daily compensation provided by section 15.0575. The board shall formulate, establish, and maintain plans to encourage and reward unusual and meritorious suggestions and accomplishments by state employees promoting efficiency and economy in state government; appoint committees to consider suggestions and accomplishments of state employees and make recommendations on them to the board; and render merit awards to state employees, which may include certificates, medals and other appropriate insignia, and cash awards, in accordance with the board's plans. The commissioner shall assign for the use of the board the personnel, facilities, and equipment required for the proper performance of its work. The commissioner, on behalf of the board, may require assistance from any state department of any of its personnel and facilities.

Subd. 2. [EMPLOYEE ASSISTANCE PROGRAM; ADVISORY COMMITTEE.] The commissioner shall provide an employee assistance program of training, diagnostic, and referral services for state employees and their dependents. The commissioner shall appoint an advisory committee on state employee assistance of not more than 15 members to advise the commissioner on the program. The committee is subject to the provisions of section 15.059.

Sec. 42. [16B.40] [ADMINISTRATION OF STATE COMPUTER FACILITIES.]

Subdivision 1. [DEFINITIONS.] For the purposes of sections 42 to 47, the following terms have the meanings given them.

(a) "Computer activity" means the development or acquisition of a data processing device or system.

(b) "Data processing device or system" means any equipment or computer programs, including computer hardware, firmware, software, and communication protocol, used in connection with the processing of information via electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data.

Subd. 2. [COMMISSIONER'S RESPONSIBILITY.] The commissioner is charged with integrating and operating the state's computer facilities to serve the needs of the state government. Except as otherwise provided by law, all plans and programs for systems and procedures analysis, information systems, and related computer efforts of agencies must be submitted to the commissioner prior to implementation for review and approval, modification, or rejection. The commissioner, after consulting the intergovernmental information systems advisory council, shall:

(1) design and maintain a master plan for information systems in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) establish standards for information systems;

(3) maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government; and

(4) administer the communications for the state information system.

Subd. 3. [EVALUATION PROCEDURE.] The commissioner shall establish and, as necessary, update and modify procedures to evaluate computer activities proposed by state agencies. The evaluation must include the necessity, design and plan for development, ability to meet user requirements, feasibility, and flexibility, of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with alternative solutions.

Subd. 4. [EVALUATION AND APPROVAL REQUIREMENTS.] A state agency may not undertake a computer activity until the activity has been evaluated according to the procedures developed under subdivision 3 and the commissioners of administration and finance have given written approval of the proposed activity. If a proposed computer activity is not approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the activity. The commissioners of administration and finance may delegate their respective approval powers regarding computer activities

to the head of another agency including the agency seeking approval if delegation is deemed appropriate.

Subd. 5. [REPORT TO LEGISLATURE.] *If a proposed computer activity is approved, the commissioners of administration and finance shall submit to the legislature a concise narrative explanation of the computer activity and a request for any additional appropriation necessary to complete the activity.*

Subd. 6. [SYSTEM DEVELOPMENT METHODOLOGY.] *The commissioner shall establish and, as necessary, update and modify a methodology for the development of approved data processing systems by state agencies. The development methodology shall be used to define the design, programming, and implementation of approved data processing systems. The development methodology shall also enable and require a data processing system to be defined in terms of its computer programs, input requirements, output formats, administrative procedures, and processing frequencies.*

Subd. 7. [SYSTEM DEVELOPMENT METHODOLOGY REQUIREMENTS.] *A state agency may not develop, improve, or modify a data processing system using any methodology other than that established by the commissioner.*

Subd. 8. [DATA SECURITY SYSTEMS.] *In consultation with the attorney general and appropriate agency heads, the commissioner shall develop, install, and administer state data security systems consistent with state law to assure the integrity of computer based and all other data and to assure confidentiality of the data, consistent with the public's right to know.*

Subd. 9. [JOINT ACTIONS.] *The commissioner may, within available funding, join with the federal government, other states, local governments, and organizations representing those groups either jointly or severally in the development and implementation of systems analysis, information services, and computerization projects.*

Sec. 43. [16B.41] [STATE INFORMATION SYSTEMS ADVISORY TASK FORCE.]

The commissioner may appoint a state information systems advisory task force to help the department develop and coordinate a state information services master plan and make recommendations to the commissioner concerning the progress, direction, and needs of the state's computerization effort. The task force expires and the terms, compensation, and removal of members are as provided in section 15.059.

Sec. 44. [16B.42] [INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL.]

Subdivision 1. [COMPOSITION.] The governor shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the governor, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (3) one member each from the state departments of administration, education, public welfare, revenue, planning and the legislative auditor; (4) one member from the office of the state auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. The council shall expire and the terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059.

Subd. 2. [DUTIES.] The council shall assist the commissioner in developing and updating intergovernmental information systems, including data definitions, format, and retention standards; recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among local governments in developing information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; foster the efficient use of available federal, state, local, and private resources for the development of systems; keep local governments abreast of the state of the art in information systems, and prepare guidelines for intergovernmental systems.

Subd. 3. [OTHER DUTIES.] The intergovernmental information systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems

assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems.

Subd. 4. [FUNDING.] Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the department of administration. Revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations is appropriated to the council for the purposes enumerated in subdivision 2.

Sec. 45. [16B.43] [EDUCATION MANAGEMENT INFORMATION SYSTEMS.]

Subdivision 1. [APPLICATION.] The authority of the commissioner under sections 42 to 44, 46, and 47 does not apply to ESV-IS but applies to SDE-IS and computer-related services provided to the department of education by the Department of administration's information services bureau. For purposes of this section, "ESV-IS" and "SDE-IS" have the meanings given them in section 121.93.

Subd. 2. [FURNISHING STAFF AND ASSISTANCE.] To the extent permitted by available resources, the commissioner may furnish staff and other assistance to the department, the state board, the ESV computer council, and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by sections 121.931 to 121.938.

Sec. 46. [16B.44] [MODIFICATION OF OPERATING AND MANAGEMENT PROCEDURES.]

When improved program effectiveness, better use of services, and greater efficiency and economy in state government can be demonstrated, the commissioner with the approval of the governor may require a state agency to adjust its operating and management procedures to take advantage of improved systems, procedures, and methods resulting from systems analysis and information science technology.

Sec. 47. [16B.45] [FUNCTION OF LEGISLATIVE AUDITOR.]

The legislative auditor may conduct performance evaluations of all systems analysis, information services, and computerization efforts of agencies, the University of Minnesota, and metropolitan boards, agencies, and commissions. Upon request of the governing body or the state information systems advisory council, the legislative auditor shall conduct the same services for political subdivisions of the state and report the findings to the

governor and the legislature. The cost of these evaluations must be paid by the agencies being evaluated.

Sec. 48. [16B.46] [TELECOMMUNICATION; POWERS.]

The commissioner shall supervise and control all state telecommunication facilities including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation or the commissioner of public safety relating to telecommunications facilities or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.

Sec. 49. [16B.47] [MICROGRAPHICS.]

The commissioner shall provide micrographics services and products to meet agency needs. Within available resources, the commissioner may also provide micrographic services to political subdivisions. Agency plans and programs for micrographics must be submitted to and receive the approval of the commissioner prior to implementation. Upon the commissioner's approval, subsidiary or independent microfilm operations may be implemented in other state agencies. The commissioner may direct that copies of official state documents be distributed to official state depositories on microfilm.

Sec. 50. [16B.48] [GENERAL SERVICES AND COMPUTER SERVICES REVOLVING FUNDS.]

Subdivision 1. [REIMBURSEMENTS.] Fees prescribed pursuant to section 53, for the rendering of the services provided in that section are deposited in the state treasury by the collecting agency and credited to the general services revolving fund.

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;*
- (2) to operate a central duplication and printing service;*
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;*
- (4) to operate a documents service as prescribed by section 53; and*

(5) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Subd. 3. [COMPUTER SERVICES REVOLVING FUND.] Money in the computer services revolving fund is appropriated annually to the commissioner to operate the division of computer services.

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the computer services and general services revolving funds for the cost of all services, supplies, materials, labor and depreciation of equipment including reasonable overhead costs which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund shall include reasonable overhead costs. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All such reimbursements and other money received by the commissioner of administration under this section shall be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 53 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, shall be transferred to the general fund.

Subd. 5. [LIQUIDATION.] If the computer services or general services revolving fund is abolished or liquidated, the total net profit from the operation of each fund shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to such net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during such period of time as shall fairly reflect the amount of net profit each fund is entitled to receive under the distribution required by this section.

CENTRAL SERVICES

Sec. 51. [16B.49] [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters either in the capitol or in adjoining state buildings must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days.

Sec. 52. [16B.50] [CENTRAL DUPLICATING AND PRINTING DIVISION.]

The commissioner shall maintain and operate for agencies a central duplicating and printing division which is responsible for all duplicating and printing. The commissioner shall prescribe and designate classes of state printing. The duplicating and printing work to be done by the division is restricted to producing any form, booklet or pamphlet to the extent the commissioner deems appropriate.

Sec. 53. [16B.51] [AGENCY REPORTS.]

Subdivision 1. [SUPERVISION BY COMMISSIONER.] The commissioner shall supervise and control the making and distribution of all reports and other publications of all kinds issued by the state and state agencies when not otherwise prescribed by law. The commissioner shall also prescribe the manner and form of issuing reports required by sections 8.08; 16A.50; 35.03; 139.08, subdivision 5; 256.01; 268.12, subdivision 2; 299C.18; 343.08; and 360.015, subdivision 17.

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, and other publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service.

Subd. 4. [EXCEPTIONS.] This section does not apply to the Regents of the University of Minnesota or to the state agricultural society.

Subd. 5. [LIMITATIONS ON SUBJECT MATTER PROHIBITED.] The commissioner may not adopt rules which limit in any way the subject matter of a report or publication which the law requires or authorizes an agency to produce.

Sec. 54. [16B.52] [MISUSE OF STATE PUBLICATIONS.]

Subdivision 1. [PERMISSIBLE PUBLICATIONS; PICTURES.] No elected, administrative, or executive state officer, may have printed, nor may the commissioner authorize the printing of, at government expense, official reports and other publications intended for general public circulation except those authorized by law or included in the intent of the appropriation out of which the cost will be defrayed. Executive officers shall, before presenting their annual reports and other publications to the commissioner, examine them and exclude from them pictures of elected and administrative officials, and any other pictorial device calculated to or tending to attribute the publication to an individual instead of the department of state government from which it emanates. All other engravings, maps, drawings and illustrations must be excluded from the reports and publications, except those the executive officers certify when they present the reports for printing to be necessary and to relate entirely to the transaction of the state's business, or to be reasonably required to present for clear understanding the substance of the report.

Subd. 2. [ATtribution OF PUBLICATIONS.] A report or publication authorized by law and paid for from public funds must carry the imprimatur of the agency under whose authority it is issued, but it may not carry the name of an official in any way that might imply attributing the publication to any person, except where certification of the officer is required for authenticity of the document.

Subd. 3. [DISTRIBUTION.] No report or publication distributed by or from an administrative or executive officer may contain any notice that it is sent with "the compliments" and may not carry letters of personal greeting from an official.

Subd. 4. [EXCEPTION.] This section does not apply to the legislative manuals provided for in chapter 5.

Subd. 5. [PUBLICATIONS BY DEPARTMENT OF ADMINISTRATION.] Notwithstanding the provisions of this section or any other law relating to the subject matter of this section, the department of administration may continue to publish reports, documents, and related materials of the same manner described in its catalogs of Minnesota state publications.

Sec. 55. [16B.53] [SALE OF LAWS AND RESOLUTIONS.]

Subdivision 1. [AUTHORITY.] The commissioner shall provide for the sale and distribution of copies of laws and resolutions on file in the office of the secretary of state in accordance with this section. The secretary of state and the revisor of statutes shall cooperate with the commissioner in furnishing the services provided for in this section.

Subd. 2. [CHARGES.] The commissioner shall establish charges for those laws and resolutions sufficient to cover their cost. Fees established for the sale and distribution of laws and resolutions, including mailing and postage charges, may be accepted by the commissioner in advance, and any unused portions amounting to \$1 or more may be returned to the person entitled to them upon request, notwithstanding the provision of any other law prohibiting refunds.

Subd. 3. [REVOLVING FUND.] Money collected by the commissioner under this section must be deposited in the central services revolving fund in the state treasury. Money in that fund is annually appropriated to the commissioner for the purposes of carrying out this section.

VEHICLES

Sec. 56. [16B.54] [CENTRAL MOTOR POOL, ESTABLISHMENT.]

Subdivision 1. [MOTOR POOLS.] The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, "truck" means a pickup or panel truck up to one ton carrying capacity.

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to transfer to him a passenger motor vehicle or truck presently assigned to it for the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average

wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, and the office of the attorney general.

Subd. 3. [RESPONSIBLE PERSON; PERSONNEL.] The commissioner is responsible for the control, regulation, acquisition, operation, maintenance, repair, and disposal of all motor vehicles of the central motor pool. The commissioner may employ a director and other necessary classified employees for the operation of the central motor pool in accordance with chapter 43A.

Subd. 4. [MAINTENANCE, REPAIR, AND STORAGE; APPROPRIATION.] (a) [MAINTENANCE, REPAIR, STORAGE.] The commissioner may contract with the head of an agency or another person operating facilities for the maintenance, repair, and storage of motor vehicles to provide for maintenance, repair, and storage of motor vehicles of the central motor pool.

(b) [APPROPRIATION.] Money received by the head of an agency under a contract with the commissioner under this subdivision is annually appropriated to the agency for the same purposes as money expended by the agency head for the operation of state-owned facilities for the maintenance, repair, and storage of motor pool vehicles.

Subd. 5. [USE OF MOTOR VEHICLES.] The motor vehicles in the central motor pool are for official state business only. An agency requiring the services of a motor vehicle shall request it from the central motor pool on either a temporary or permanent basis. No privately owned motor vehicle may be used for official state business except when authorized by the commissioner.

Subd. 6. [SCHEDULE OF CHARGES.] An agency using the facilities of the central motor pool shall periodically reimburse the commissioner for the services, in accordance with the schedule of charges the commissioner establishes. This schedule of charges must be based on the costs incurred in operating the central motor pool, including reasonable overhead costs, vehicle depreciation, insurance for public liability and property damage, and other costs. The commissioner must retain records and reports and all schedules used as a basis for charging state agencies for the services furnished.

Subd. 7. [EXCEPTIONS.] This section does not apply to motor vehicles of the state patrol or the University of Minnesota, or to motor vehicles of any other agency which are specially equipped for the needs of that agency.

Subd. 8. [MOTOR POOL REVOLVING ACCOUNT.] (a) [ACCOUNT ESTABLISHED.] Money or reimbursements the commissioner receives from the operation of the central motor pool is deposited in the state treasury and credited to a motor pool revolving account. Money in the account is annually appropriated to the commissioner to carry out this section. The motor pool revolving account may be used to provide material transfer services to agencies.

(b) [UNOBLIGATED EXCESS TRANSFERRED.] When the unobligated amount of money in the state treasury credited to the motor pool revolving account exceeds the sum of \$438,000 at the end of any fiscal year, the unobligated amount in excess of \$438,000 must be transferred to the general fund in the state treasury.

Sec. 57. [16B.55] [USE OF STATE VEHICLES; COMPENSATION FOR USE OF PERSONAL VEHICLES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "state vehicle" means a vehicle owned or leased by the state or loaned to the state.

Subd. 2. [PROHIBITED USES.] A state vehicle may be used only for authorized state business. A state vehicle may not be used for transportation to or from the residence of a state employee, except as provided in subdivision 3.

Subd. 3. [PERMITTED USES.] A state vehicle may be used by a state employee to travel to or from the employee's residence:

(1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working;

(2) if the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which he is permanently assigned;

(3) if the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which he is permanently assigned, and the number of miles travelled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after travelling to the place of state business.

Use of a state vehicle pursuant to this subdivision requires the prior approval of the agency head or the designee of the agency head. Within 15 days of the end of each three-month period, the head of each agency shall report to the commissioner on each case in which a state vehicle is used by an employee of that agency to travel to or from the employee's residence. The commissioner shall specify the form of this report and the information to be included. If no state vehicles have been used for this travel, the head of the state agency shall report this to the commissioner; or

(4) if the employee is authorized to participate in a ride-sharing program established by the commissioner pursuant to section 174.257.

Subd. 4. [PERSONAL VEHICLES.] No state employee shall be compensated by the state for use of a personal vehicle for travel between the employee's residence and the state work station to which the employee is permanently assigned, except pursuant to a collective bargaining agreement negotiated under chapter 179 or a compensation plan adopted by the commissioner of employee relations under section 43A.05. A collective bargaining agreement or compensation plan may only provide for this compensation in cases in which an employee is called back to work during hours when the employee is not normally working.

Subd. 5. [EXCLUSIONS.] Subdivisions 2 to 4 do not apply to the van pooling program established in section 58, to a ride-sharing program established by the department of transportation, to a trooper employed by the state patrol, or to use of a state vehicle by the governor or lieutenant governor.

Subd. 6. [ADMINISTRATIVE POLICIES.] The commissioner shall determine when an employee must reimburse the state for use of a state vehicle and the rates of reimbursement. Rates of reimbursement shall cover the full cost to the state for the travel for which reimbursement is required. The commissioner shall also set operating procedures for use of state vehicles. These rules, rates, and operating procedures are not subject to the administrative procedure act. Money received under these rules shall be deposited as nondedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.

Sec. 58. [16B.56] [COMMUTER VANS; STATE EMPLOYEES AND SPOUSES; BLIND VENDING OPERATORS.]

Subdivision 1. [EMPLOYEE TRANSPORTATION PROGRAM.] (a) [ESTABLISHMENT.] To conserve energy and alleviate traffic congestion around state offices, the commissioner shall, in cooperation with the commissioner of energy and economic development, the commissioner of transportation, and interested nonprofit agencies, establish and operate an employee transportation program using commuter vans with a capacity of not less than seven nor more than 16 passengers. Commuter vans may be used by state employees and blind vending operators to travel between their homes and their work locations, and for personal purposes after working hours, not including partisan political activity. The commissioner shall acquire or lease commuter vans, or otherwise contract for the provision of commuter vans, and shall make the vans available for the use of state employees and blind vending operators in accordance with standards and procedures adopted by the commissioner. The commissioner shall promote the maximum participation of state employees and blind vending operators in the use of the vans.

(b) [ADMINISTRATIVE POLICIES.] The commissioner shall adopt standards and procedures under this section without regard to chapter 14. The commissioner shall provide for the recovery by the state of vehicle acquisition, lease, operation, and insurance costs through efficient and convenient assignment of vans, and for the billing of costs and collection of fees. A state employee using a van for personal use shall pay, pursuant to the standards and procedures adopted by the commissioner, for operating and routine maintenance costs incurred as a result of the personal use. Fees collected under this subdivision shall be deposited in the accounts from which the costs of operating, maintaining, and leasing or amortization for the specific vehicle are paid.

Subd. 2. [ELIGIBLE PARTICIPANTS.] State and other public employees and their spouses and other people who work in buildings owned or leased by the state are eligible for the employee transportation program established by this section, if

the driver and substitute driver of every van pool are state employees and if state employees constitute a majority of the members of every van pool. Available space in van pools must, whenever possible, be filled by state employees.

Subd. 3. [AREAS OF USE.] Use of the vans pursuant to this section is limited to areas not having adequate public transportation between the residences of state employees and blind vending operators and their places of employment.

Subd. 4. [EVALUATION.] The commissioner shall at least semiannually inform the metropolitan council and the capitol area architectural and planning board on the operation of the program.

Subd. 5. [INSURANCE; LIMITATIONS.] Notwithstanding section 15.31 or any other law to the contrary, the commissioner may purchase, pursuant to this chapter, collision insurance coverage for the commuter vans. Notwithstanding sections 56, subdivision 2, and 168.012, the vans may not be marked. The vans may not be equipped with tax-exempt motor vehicle number plates.

Subd. 6. [BLIND VENDING OPERATOR.] "Blind vending operator" means a blind person licensed to operate a vending stand or machine pursuant to section 248.07.

Sec. 59. [16B.57] [GASOLINE AND PETROLEUM PRODUCTS, SOURCE OF SUPPLY FOR AGENCIES.]

Subdivision 1. [PETROLEUM PRODUCTS FACILITIES.] The commissioner may require a state agency which has facilities for the storage and distribution of gasoline and other petroleum products to furnish gasoline and other petroleum products to any other state agency and shall require payment to compensate for the cost of those products. The commissioner shall prescribe all procedures for the guidance of state agencies in carrying out the requirements of this section.

Subd. 2. [APPROPRIATION.] Money paid by one state agency to another to compensate for the cost of products furnished under subdivision 1 is annually appropriated to the state agency which furnishes those products.

Sec. 60. [16B.58] [STATE PARKING FACILITIES.]

Subdivision 1. [POWERS AND DUTIES OF THE COMMISSIONER.] No person may park a motor vehicle, either privately or publicly owned, upon any parking lot or facility owned or operated by the state except as authorized by this section. The commissioner shall operate and supervise all state parking lots and facilities. He may fix and collect rents, charges,

or fees in connection with and for the use of any state parking lot or facility within the cities of St. Paul and Minneapolis except for any state lot or facility the control of which is vested by law in a state agency other than the department of administration.

Subd. 2. [RULES.] Copies of the commissioner's rules under this section must be provided to all contract parkers. Each parking lot or facility must be posted with notice of who is entitled to park there.

Subd. 3. [REMOVAL AND IMPOUNDING OF VEHICLES.] A motor vehicle parked on a state parking lot or facility in violation of the rules of the commissioner is a public nuisance and the commissioner shall provide for the abatement of the nuisance by rules, including provision for the removal and impounding of the motor vehicle. The cost of the removal and impounding is a lien against the motor vehicle until paid.

Subd. 4. [VIOLATIONS.] A person, elective or appointed state official, firm, association, or corporation which violates any of the provisions of this section or any rule made by the commissioner under this section is guilty of a misdemeanor.

Subd. 5. [MONEY COLLECTED.] Money collected by the commissioner as rents, charges, or fees in connection with and for the use of a parking lot or facility is appropriated to the commissioner for the purpose of operating, maintaining, and improving parking lots or facilities owned or operated by the state, including providing necessary and suitable uniforms for employees, and to carry out the purposes of this section, except as provided in subdivision 7.

Subd. 6. [LEGISLATIVE PARKING RESOLUTIONS.] The provisions of this section do not affect rules of parking adopted by resolution of the legislature during legislative sessions.

Subd. 7. [SURCHARGE FOR VEHICLES OCCUPIED BY ONE PERSON.] The commissioner shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account is appropriated to the commissioner and shall be used by the commissioner to acquire or lease commuter vans pursuant to section 58 and, within limits and upon conditions the commissioner determines to be necessary, to reimburse state agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 473.409. The commissioner may adopt rules necessary to administer the provisions of this subdivision, subdivision 5, and section 473.409. The rules may exempt from the surcharge vehicles operated by

persons whom the commissioner determines have job requirements that make car pooling impractical.

Subd. 8. [FEES CHARGED STATE EMPLOYEES.] Notwithstanding any other law to the contrary, the commissioner shall charge state employees for parking facilities which are used by them and furnished for their use pursuant to any lease entered into between the state of Minnesota and the lessor of any privately owned property situated in the seven county metropolitan area.

STATE BUILDING CODE

Sec. 61. [16B.59] [STATE BUILDING CODE; POLICY AND PURPOSE.]

The state building code governs the construction, reconstruction, alteration, and repair of state-owned buildings and other structures to which the code is applicable. The commissioner shall administer and amend a state code of building construction which will provide basic and uniform performance standards, establish reasonable safeguards for health, safety, welfare, comfort, and security of the residents of this state and provide for the use of modern methods, devices, materials, and techniques which will in part tend to lower construction costs. The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.

Sec 62. [16B.60] [DEFINITIONS, STATE BUILDING CODE.]

Subdivision 1. [SCOPE.] For the purposes of sections 61 to 75, the terms defined in this section have the meanings given them.

Subd. 2. [CITY.] "City" means a home rule charter or statutory city.

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, or the University of Minnesota.

Subd. 4. [CODE.] "Code" means the state building code adopted by the commissioner in accordance with sections 61 to 75.

Subd. 5. [AGRICULTURAL BUILDING.] "Agricultural building" means a structure on agricultural land as defined in section 273.13, subdivision 6, designed, constructed, and used to house farm implements, livestock, or agricultural produce or products used by the owner, lessee, and sublessee of the building

and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.

Subd. 6. [PUBLIC BUILDING.] "Public building" means a building and its grounds, the cost of which is paid for by the state, a state agency or governmental subdivision, an agency of a governmental subdivision, or a school district.

Subd. 7. [PHYSICALLY HANDICAPPED.] "Physically handicapped" means having sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, or other disabilities that significantly reduce mobility, flexibility, coordination, or perceptiveness.

Subd. 8. [REMODELING.] "Remodeling" means deliberate reconstruction of an existing public building in whole or in part in order to bring it up to date in conformity with present uses of the structure and to which other rules on the upgrading of health and safety provisions are applicable.

Sec. 63. [16B.61] [GENERAL POWERS OF COMMISSIONER, STATE BUILDING CODE.]

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 61 to 75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of state-owned buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States. In the preparation of the code, consideration must be given to the existing state-wide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 61 to 75, the commissioner shall administer and enforce the provisions of those sections.

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to fire protection shall be enforced by the state fire marshal, the provisions relating to high pressure steam piping and appurte-

nances and elevators shall be enforced by the department of labor and industry, and the code as applied to public school buildings shall be enforced by the state board of education. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity.

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

Subd. 4. [REVIEW OF PLANS FOR PUBLIC BUILDINGS.] Construction or remodeling may not begin on any public building owned by the state until the plans and specifications of the public building have been approved by the commissioner. In the case of any other public building, the plans and specifications must be submitted to the commissioner for review, and within 30 days after his receipt of the plans and specifications, he shall notify the submitting authority of his recommendations if any.

Subd. 5. [ACCESSIBILITY.] (a) [PUBLIC BUILDINGS.] The code must provide for making public buildings constructed or remodeled after July 1, 1963, accessible to and usable by physically handicapped persons, although this does not require the remodeling of public buildings solely to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.

(b) [LEASED SPACE.] No agency of the state may lease space for agency operations in a nonstate-owned building unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, or is eligible to display the state symbol of accessibility. This limitation applies to leases of 30 days or more for space of at least 1,000 square feet.

(c) [MEETINGS OR CONFERENCES.] *Meetings or conferences for the public or for state employees which are sponsored in whole or in part by a state agency must be held in buildings that meet the state building code requirements relating to accessibility for physically handicapped persons. This subdivision does not apply to any classes, seminars, or training programs offered by a state university, the University of Minnesota, or a state community college. Meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of his or her intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites must be chosen which allow hearing impaired participants to see their signing clearly.*

(d) [EXEMPTIONS.] *The commissioner may grant an exemption from the requirements of paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts were made to secure facilities which complied with those requirements and if the selected facilities are the best available for access for handicapped persons. Exemptions shall be granted using criteria developed by the commissioner in consultation with the council for the handicapped.*

(e) [SYMBOL INDICATING ACCESS.] *The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds which are accessible to and usable by handicapped persons. In the interests of uniformity, this symbol in its white on blue format is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the state council for the handicapped. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the state building code.*

(f) [MUNICIPAL ENFORCEMENT.] *Municipalities which have not adopted the state building code may enforce the building code requirements for handicapped persons by either entering into a joint powers agreement for enforcement with another municipality which has adopted the state building code; or contracting for enforcement with an individual certified under section 67, subdivision 3, to enforce the state building code.*

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The state building code applies statewide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 104.05, 326.244, and 116J.19, subdivision 8. All municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. In areas outside of the enforcement authority of a city, the fee charged for the issuance of permits and inspections for single family dwellings may not exceed the greater of \$100 or .005 times the value of the structure, addition, or alteration. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Subd. 2. [ENFORCEMENT BY STATE BUILDING INSPECTOR.] If the commissioner determines that a municipal-

ity is not properly administering and enforcing the state building code as provided in section 73, the commissioner may have the administration and enforcement in the involved municipality undertaken by the state building inspector. The commissioner shall notify the affected municipality in writing immediately upon making the determination, and the municipality may challenge the determination as a contested case before the commissioner pursuant to the administrative procedure act. In municipalities not properly administering and enforcing the state building code, and in municipalities who determine not to administer and enforce the state building code, the commissioner shall have administration and enforcement undertaken by the state building inspector or by another inspector certified by the state. The commissioner shall determine appropriate fees to be charged for the administration and enforcement service rendered. Any cost to the state arising from the state administration and enforcement of the state building code shall be borne by the subject municipality.

Sec. 65. [16B.63] [STATE BUILDING INSPECTOR.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a state building inspector who under the direction and supervision of the commissioner shall administer the code.

Subd. 2. [QUALIFICATIONS.] To be eligible for appointment as state building inspector an individual must be competent in the field of administration and shall have the experience in building design, construction, and supervision which the commissioner considers necessary.

Subd. 3. [POWERS AND DUTIES.] The state building inspector may, with the approval of the commissioner, employ personnel necessary to carry out his function under sections 61 to 75. The state building inspector shall distribute without charge one copy of the code to each municipality within the state. Additional copies shall be made available to municipalities and interested parties for a fee prescribed by the commissioner. The state building inspector shall perform other duties in administering the code assigned to him by the commissioner.

Sec. 66. [16B.64] [APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.]

Subdivision 1. [APPLICABILITY.] Subject to this section, the adoption of the code and amendment is subject to the administrative procedure act.

Subd. 2. [DISTRIBUTION OF INCORPORATIONS BY REFERENCE.] The commissioner need not publish or distribute those parts of the code which are adopted by reference pursuant to section 14.06.

Subd. 3. [FILING.] The commissioner shall file one copy of the complete code with the secretary of state, except that all standards referred to in any model or statewide specialty code or any of the modifications of a code need not be filed. All standards referred to in the code must be kept on file and available for inspection in the office of the commissioner.

Subd. 4. [HEARINGS.] The commissioner, except in the case of energy conservation standards promulgated or amended pursuant to section 116J.19, subdivision 8, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another state agency proposes to adopt or amend rules which are incorporated by reference into the code or whenever the commissioner proposes to incorporate those rules into the state building code. In no event shall a state agency subsequently authorized to adopt rules involving state building code subject matter proceed to adopt the rules without prior consultation with the commissioner.

Subd. 5. [PROPOSED AMENDMENTS; HEARINGS.] Any interested person may propose amendments to the code which may be either applicable to all municipalities or, where it is alleged and established that conditions exist within a municipality which are not generally found within other municipalities, amendments may be restricted in application to that municipality. Notice of public hearings on proposed amendments shall be given to the governing bodies of all municipalities in addition to those persons entitled to notice under the administrative procedure act.

Subd. 6. [ADOPTION.] The commissioner shall approve any proposed amendments which he deems to be reasonable in conformity with the policy and purpose of the code and justified under the particular circumstances involved. Upon adoption, a copy of each amendment must be distributed to the governing bodies of all affected municipalities.

Subd. 7. [INVESTIGATION AND RESEARCH.] With the approval of the commissioner the state building inspector shall investigate or provide for investigations, or may accept authenticated reports from authoritative sources, concerning new materials or modes of construction intended for use in the construction of buildings or structures, and shall propose amendments to the code setting forth the conditions under which the new materials or modes may be used.

Sec. 67. [16B.65] [BUILDING OFFICIALS.]

Subdivision 1. [APPOINTMENTS.] The governing body of each municipality shall, unless other means are already provided, appoint a person to administer the code who shall be known as a building official. Two or more municipalities may combine in

the appointment of a single building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been appointed, the state building inspector, with the approval of the commissioner, may appoint building officials to serve until the municipalities have made an appointment. If the state building inspector is unable to make an appointment he may use whichever state employees or state agencies are necessary to perform the duties of the building official. All costs incurred by virtue of an appointment by the state building inspector or services rendered by state employees must be borne by the involved municipality. Receipts arising from the appointment must be paid into the state treasury and credited to the general fund.

Subd. 2. [QUALIFICATIONS.] A building official, to be eligible for appointment, must have the experience in design, construction, and supervision which the commissioner deems necessary and must be generally informed on the quality and strength of building materials, accepted building construction requirements, and the nature of equipment and needs conducive to the safety, comfort, and convenience of building occupants. Each building official must be certified under this section, except that the qualifications outlined in this section are not mandatory regarding any building official in any municipality engaged in the administration of a building code on May 27, 1971, and continuing that function through July 1, 1972.

Subd. 3. [CERTIFICATION.] The department of employee relations, with the approval of the commissioner, shall either:

(1) prepare and conduct oral, written, and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official, or

(2) accept documentation of successful completion of programs of training developed by public agencies, as proof of qualification pursuant to subdivision 2.

Upon a determination of qualification under either clause (1) or (2) of this section the commissioner shall issue a certificate to the building official stating that he is certified. Each person applying for examination and certification pursuant to this section shall pay a fee of \$20. The department of employee relations and the commissioner or his designee may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the department of employee relations and the commissioner determine that he is qualified. The department of employee relations may, with the approval of the commissioner, prepare and conduct educational programs designed to train and assist building officials in car-

rying out their responsibilities. The commissioner shall reimburse the department of employee relations for costs of any services performed by them pursuant to this section.

Subd. 4. [DUTIES.] Building officials shall, in the municipality for which they are appointed, attend to all aspects of code administration, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

Subd. 5. [REMOVAL FROM OFFICE.] Except as otherwise provided for by law the commissioner may, upon notice and hearing, direct the dismissal of a building official when it appears to him by competent evidence that the building official has consistently failed to act in the public interest in the performance of his duties. Notice must be provided and the hearing conducted in accordance with the provisions of chapter 14 governing contested case proceedings. Nothing in this subdivision limits or otherwise affects the authority of a municipality to dismiss or suspend a building official at its discretion, except as otherwise provided for by law.

Subd. 6. [VACANCIES.] In the event that a certified building official vacates his position within a municipality, that municipality shall appoint a certified building official to fill the vacancy as soon as possible. If the municipality fails to appoint a certified building official within 90 days of the occurrence of the vacancy, the state building inspector may make the appointment or provide state employees to serve that function as provided in subdivision 1.

Sec. 68. [16B.66] [CERTAIN INSPECTIONS.]

The state building inspector may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure designed to provide dwelling space for no more than two families if the set of plans meets the requirements of the state building code. All costs incurred by the state building inspector by virtue of the examination of the set of plans and specifications must be paid by the applicant. The plans and specifications or any plans and specifications required to be submitted to a state agency must be submitted to the state building inspector who shall examine them and if necessary distribute them to the appropriate state agencies for scrutiny regarding adequacy as to electrical, fire safety, and all other appropriate features. These state agencies shall examine and promptly return the plans and specifications together with their certified state-

ment as to the adequacy of the instruments regarding that agency's area of concern. A building official shall issue a building permit upon application and presentation to him of a set of plans and specifications bearing the approval of the state building inspector if the requirements of all other local ordinances are satisfied.

Sec. 69. [16B.67] [APPEALS.]

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 30 days of the decision, appeal to the commissioner. Appellant shall submit a fee of \$20, payable to the commissioner, with his request for appeal. The final decision of the involved municipality is subject to review de novo by the commissioner or his designee. The commissioner shall submit his written findings to the parties. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the state council for the handicapped. No fee shall be required when the council for the handicapped is the appellant.

Sec. 70. [16B.68] [CERTAIN PERMITS.]

Building permits or certificates of occupancy validly issued before July 1, 1972, regarding buildings or structures being constructed or altered according to the permits or certificates, are valid after that date. The construction may be completed according to the building permit, unless the building official determines that life or property is in jeopardy.

Sec. 71. [16B.69] [VIOLATION, PENALTY.]

A violation of the code is a misdemeanor.

Sec. 72. [16B.70] [SURCHARGE.]

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 61 to 75, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to 1/2 mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to 1/2 mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the

value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 64 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out their duties under sections 61 to 75. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month, but shall retain two percent of the surcharges collected to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter, but shall retain four percent of the surcharges collected to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 61 to 73, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general fund.

Sec. 73. [16B.71] [PERMIT FEES, TO WHOM APPLICABLE.]

Municipal building officials shall administer and enforce the state building code with respect to all subject structures constructed within their jurisdiction, including all buildings constructed by the state of Minnesota, its agencies, departments, and instrumentalities, school districts, municipalities as defined in section 62, and the University of Minnesota. These governmental bodies shall pay the building permit fees and surcharges

that the inspecting municipality customarily imposes for its administration and enforcement of the code.

Sec. 74. [16B.72] [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

*"Shall the state building code be adopted in
County?"*

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons do apply.

Nothing in this section precludes a home rule charter or statutory city or town that did not adopt the state building code before January 1, 1977, from adopting and enforcing the state building code within its jurisdiction.

Sec. 75. [16B.73] [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 74. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, does not apply within their respective jurisdictions.

Sec. 76. Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;
- (4) a county assessor;
- (5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision in it. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;
- (6) an executive officer of a corporation, except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), or an executive officer of a closely held corporation who is referred to in section 176.012;
- (7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;
- (8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or

other duty by the state or any political subdivision of it, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota School for the Deaf or the Minnesota Braille and Sight-Saving School, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose; and

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post-graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176; and

(17) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services were performed by paid employees.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 77. [611.216] [CRIMINAL AND JUVENILE DEFENSE GRANTS.]

Subdivision 1. [ELIGIBLE RECIPIENTS.] Money appropriated to provide criminal and juvenile defense to indigent individuals must be distributed by the board of public defense to the nonprofit criminal and juvenile defense corporations designated by law. Money may not be disbursed to a corporation in the Leech Lake reservation area or the White Earth reservation area without prior approval by the respective reservation business

committee. Within its geographic area of responsibility each corporation shall accept cases involving felony, gross misdemeanor, and misdemeanor charges and juvenile cases if financial eligibility standards are met, unless there is a legal reason for rejecting a case. A corporation may accept cases arising outside its geographic area of responsibility, as appropriate. Each corporation, in order to insure broad support, shall provide matching money received from nonstate sources, which may include money from federal agencies, local governments, private agencies, and community groups, equal to ten percent of its state appropriation. The board of public defense shall give notice 30 days in advance and conduct a hearing if it has reasonable grounds to believe money appropriated for this purpose is being improperly used, or if it has reasonable cause to believe criminal and juvenile defense of proper quality is not being supplied. Payment must cease from the date of notice until either the board of public defense determines that the money appropriated will be properly handled, or the board of public defense determines that criminal and juvenile defense of proper quality will be provided. A participating corporation may give notice at any time of its withdrawal from this program of financial assistance.

Subd. 2. [DISCRIMINATION; PENALTY.] An employee, administrator, or officer of a recipient of the money provided by this section who discriminates on the basis of sex, race, color, national origin, religion, or creed is guilty of a gross misdemeanor.

Subd. 3. [REPORT.] Each corporation shall submit to the board of public defense twice each year a report on a form supplied by the council showing the number of clients served, the number of charges brought, the number of cases of each kind, such as felonies, gross misdemeanors, misdemeanors, and juvenile delinquencies, the number of dispositions of each kind, such as jury trials, court trials, plea bargains, and dismissals, and the number of court appearances. This information must be summarized for each corporation in the budget documents submitted to the legislature.

Sec. 78. Minnesota Statutes 1982, section 645.445, subdivision 5, is amended to read:

Subd. 5. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, or background, physical location if the person resides or is employed in an area designated a labor surplus area by the United States department of (COMMERCE) labor, or other similar cause. It includes racial minorities, women, or persons who have suffered a substantial physical disability.

Sec. 79. [INSTRUCTIONS TO REVISOR.]

In the following sections of Minnesota Statutes, the revisor of statutes shall change the reference to chapter 16 listed in column B which occurs in the section specified in column A to the new reference listed in column C.

<i>COLUMN A, Section</i>	<i>COLUMN B, Section</i>	<i>COLUMN C, Section</i>
13.43, subd. 7	16.02, subd. 28	16B.39, subd. 2
14.56	16.125	16B.37
15.44	16.84, subd. 8	16B.60, subd. 7
15.061	16.098	16B.17
15.18	16.02	chapter 16B
16A.131	16.72, subd. 7	16B.58, subd. 7
16A.15	16.07, subd. 1	16B.07, subd. 2
16A.72	16.78	16B.57
85A.03, subd. 4	16.06 and 16.07 and 16.28	16B.07
105.41, subd. 5	16.011	16B.01
105.44, subd. 10	16.011	16B.01
116J.06, subd. 2	16.35	16B.61
116J.19, subd. 8	16.862	16B.66
120.81, subd. 1	16.90	16B.40
120.81, subd. 1	16.94	16B.44
123.73	16.93	chapter 16B
136A.29, subd. 6	16.07	chapter 16B
144.0742	16.098	chapter 16B
161.321, subd. 4	16.083, subds. 2, 3, and 6	16B.19, subds. 2, 3, and 6

179.7411	16.07	16B.07, subd. 1
268.12, subd. 8	16.02	16B.50
299F.011, subd. 4	16.83 to 16.867	16B.59 to 16B.73
299F.015, subd. 2	16.83 to 16.867	16B.59 to 16B.73
299F.391, subd. 3	16.83 to 16.867	16B.59 to 16B.73
326.243	Minnesota Statutes 1965, section 16.85	16B.61
327.32, subd. 7	16.83 to 16.867	16B.59 to 16B.73
471.616, subd. 1	Minnesota Statutes 1971, section 16.07, subds. 1, 2, 4, and 5	16B.07, subds. 1 to 5
473.556, subd. 14	16.081 to 16.084	16B.19 to 16B.22
480.09, subd. 1	16.02	chapter 16B

Sec. 80. [REPEALER.]

Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b, 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, subdivision 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions 10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5 and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861,

subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911; are repealed."

Delete the title and insert:

"A bill for an act relating to state government; recodifying the laws governing the department of administration; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; providing for criminal and juvenile defense grants to be administered by the board of public defense; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16A.065; and 645.445, subdivision 5; and Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9; proposing new law coded in Minnesota Statutes, chapters 16A and 611; proposing new law coded as Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b, 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, subdivision 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions 10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5 and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861,

subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911; proposing new law coded in Minnesota Statutes, chapters 16A and 611; proposing new law coded as Minnesota Statutes, chapter 16B."

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. 1820, A bill for an act relating to commerce; requiring insurance for motor vehicle service contracts; requiring motor vehicle service contract providers to file certain forms; prohibiting the issuance of motor vehicle service contracts in certain circumstances; authorizing the commissioner of commerce to adopt rules; proposing new law coded in Minnesota Statutes, chapter 65B.

Reported the same back with the following amendments:

Page 2, delete lines 12 to 14 and insert:

"(7) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle but does not include snowmobiles and manufactured homes."

Page 2, after line 16, insert:

"(9) "Motor vehicle service contract administrator" means a person who provides administrative services to motor vehicle service contract providers, including but not limited to: issuing a motor vehicle service contract; reviewing or settling losses arising under the contract; providing or recommending the written contract or form for a contract; providing or recommending advertising or promotional materials."

Page 2, line 31, delete everything after "will"

Page 2, delete lines 32 to 35 and insert *"pay on behalf of the provider all sums which the provider is legally obligated to pay in the performance of its contractual obligations under the motor vehicle service contracts issued or sold by the provider."*

Page 3, line 2, delete everything after "the"

Page 3, delete lines 3 to 11 and insert *"contract conspicuously states that the obligations of the provider to the service con-*

tract holder are guaranteed under a service contract reimbursement policy, and unless the contract conspicuously states the name and address of the issuer of the reimbursement policy."

Page 3, line 18, delete "seciton" and insert "section"

Page 3, after line 28, insert:

"Subd. 8. [INAPPLICABILITY.] This section does not apply to motor vehicle service contracts issued by a motor vehicle manufacturer, distributor, or importer.

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 7 is effective the day following final enactment. Service contract providers and issuers of reimbursement policies shall have until January 1, 1985, to comply with section 1, subdivisions 4 and 5."

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. 1923, A bill for an act relating to financial institutions; authorizing industrial loan and thrift companies to act as trustees or custodians of certain retirement accounts; authorizing the removal of the bond requirement on the advertisement and sale of certain evidences of indebtedness; allowing special powers without inclusion in articles of incorporation; providing certain conventional loans on the same terms as other lenders; authorizing open-end loans; providing an alternative to filing fee charges; authorizing the deposit of real estate broker and salesperson trust funds in industrial loan and thrifts; amending Minnesota Statutes 1982, sections 47.75, subdivision 1; 48.151; 53.04, subdivision 1; 53.04, by adding a subdivision; 56.131, subdivision 2; 82.24, subdivisions 1, 2, and 6; Minnesota Statutes 1983 Supplement, section 53.04, subdivision 3a; proposing new law coded in Minnesota Statutes, chapter 56.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 2

Page 3, line 18, strike "(3)" and insert "(7)"

Page 4, after line 21, insert:

"Sec. 5. Minnesota Statutes 1983 Supplement, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry commercial or demand banking accounts; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;

(3) accept trusts, *except as provided in section 1*, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of banks;

(6) take any instrument in which blanks are left to be filled in after execution; or

(7) lend money in excess of ten percent of its contributed capital and appropriated reserves to a person primarily liable. "Contributed capital and appropriated reserves" means the total of the company's contributed capital and appropriated reserves at all its authorized locations.

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person."

Page 4, line 28, after "56.131" insert "*subdivision 1, paragraph (a), clause (2)*"

Page 4, line 29, after "licensee" insert "*pursuant to written agreement*"

Page 4, line 32, after "(2)" insert "*the borrower has the option of paying the balance in full at any time without penalty; (3)*"

Page 4, line 35, delete "3" and insert "4"

Page 5, line 9, after the period, insert "*The daily balance is figured by taking the beginning balance of the account each day, adding any new advances, subtracting any principal payments or credits, and any unpaid interest. The average daily balance is calculated by adding together all of the daily balances for the billing cycle, and the sum is then divided by the total number of days in the billing cycle.*"

Page 5, line 13, delete "*which*"

Page 5, line 14, delete everything before the period and insert "*after such time as the outstanding balance exceeds \$2,700. A subsequent reduction in the balance below \$2,700 has no effect on the lien*"

Page 5, line 23, delete the comma and insert a period

Page 5, delete lines 24 to 27

Page 6, line 1, after "*the*" insert "*amount of the*" and delete "*must be*"

Page 6, line 2, delete "*sufficient to pay*" and insert "*may not exceed*"

Page 6, line 4, delete "*, whichever is less,*"

Page 6, line 12, after "*any*" insert "*credit*"

Page 6, line 14, delete the second "*and*"

Page 6, line 15, delete everything before the period

Page 6, line 19, delete the comma and delete everything after "*is*" and insert "*required*"

Page 6, line 20, delete everything before the comma

Page 6, line 21, delete "section" and insert "sections 56.12, and"

Page 6, line 22, after the period, insert *"In addition, prior to any licensee taking a lien upon the borrower's homestead, as defined in chapter 510, as security for any open-end loan pursuant to subdivision 2, the borrower shall be provided with a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the borrower at the time of the execution of the contract surrendering the homestead exemption, immediately adjacent to a listing of the homestead property: "I understand that some or all of the above real estate is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract." "*

Page 7, line 19, after "company" insert "with deposit liabilities"

Page 7, line 35, after "53" insert "with deposit liabilities"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, delete "48.151;"

Page 1, line 18, delete "section" and insert "sections" and after the semicolon, insert "and 53.05;"

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. 2148, A bill for an act relating to insurance; authorizing the use of smoker and nonsmoker mortality tables; proposing new law coded in Minnesota Statutes, chapter 61A.

Reported the same back with the following amendments:

Page 1, line 12, after the first "tables" insert *"and the 1980 commissioners standard ordinary and 1980 commissioners extended term smoker and nonsmoker mortality tables"*

Page 1, line 14, after "permitting" insert *"smoker/non-smoker mortality tables for use in determining"*

Page 1, line 18, before the period, insert "*and before January 1, 1989*"

With the recommendation that when so amended 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:

S. F. No. 1235, A bill for an act relating to labor; providing for an exemption from wage requirements for certain domestic service employees; amending Minnesota Statutes 1983 Supplement, section 177.23, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 177.23, is amended by adding a subdivision to read:

Subd. 11. With respect to an individual who is: (1) employed to provide companionship services to individuals who, because of age or infirmity, are unable to care for their own needs; (2) employed to stay overnight in the home of such an aged or infirm individual; and (3) paid the minimum wage or more for at least four hours associated with the overnight stay, the term "hours" for the purposes of requiring the payment of minimum wages and overtime premiums under sections 177.24 and 177.25, shall not include nighttime hours, from 10:00 p.m. to 9:00 a.m., up to a total of eight hours per night, during which the employee is available to perform duties for the aged or infirm individual, but is not in fact performing such duties and is free to sleep and otherwise engage in normal private pursuits in the aged or infirm individual's home. For the purposes of this subdivision, the term "companionship services" is defined in Code of Federal Regulations, title 29, sections 552.6 and 552.106 as of March 1, 1984."

Delete the title and insert:

"A bill for an act relating to labor; providing an exemption from the minimum wage laws for certain hours of service by certain domestic employees; amending Minnesota Statutes 1982, section 177.23, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2314, 702, 1601, 1757, 1820, 1923 and 2148 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2148, 1750, 2016 and 1235 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Haukoos introduced:

H. F. No. 2315, A bill for an act relating to natural resources and agriculture; allowing compensation to owners of crops damaged by deer; amending Minnesota Statutes 1982, section 3.737, by adding subdivisions.

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

Rodriguez, F., introduced:

H. F. No. 2316, A bill for an act relating to state departments and agencies; requiring agencies to provide services and materials in languages other than English; proposing new law coded as Minnesota Statutes, chapter 15B.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Kvam, Swanson, Otis, Brandl and McDonald introduced:

H. A. No. 58, A proposal for state agencies to prefile legislative requests 30 days before session.

The advisory was referred to the Committee on Governmental Operations.

Peterson and Sarna introduced:

H. A. No. 59, A proposal to study the selling of camping club memberships.

The advisory was referred to the Committee on Commerce and Economic Development.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 1877, A bill for an act relating to enterprise zones; expanding the definition of areas eligible for designation as zones; limiting the designation of border city enterprise zones; clarifying the tax incentives available in enterprise zones; amending Minnesota Statutes 1983 Supplement, sections 273.1312, subdivisions 4 and 5; 273.1313, subdivisions 1 and 2; 273.1314, subdivisions 1, 6, 8, 9, 10, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelly moved that the House concur in the Senate amendments to H. F. No. 1877 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1877, A bill for an act relating to enterprise zones; expanding the definition of areas eligible for designation as zones; limiting the designation of border city enterprise zones; clarifying the tax incentives available in enterprise zones; amending Minnesota Statutes 1983 Supplement, sections 273.1312, subdivisions 4 and 5; 273.1313, subdivisions 1 and 2; 273.1314, subdivisions 1, 6, 7, 8, 9, 10, and by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

DenOuden	Ludeman	Sviggum	Welker	Zaffke
Frerichs	Schafer	Valento	Wigley	

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

CONSENT CALENDAR

H. F. No. 427 was reported to the House.

Sviggum moved that H. F. No. 427 be continued on the Consent Calendar for one day. The motion prevailed.

S. F. No. 1770, A bill for an act relating to the city of Duluth; changing the boundaries of the tracts of land administered by the Spirit Mountain recreation area authority; amending Laws 1973, chapter 327, section 2, 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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Blatz	Burger	Clawson
Anderson, G.	Bennett	Boo	Carlson, D.	Cohen
Battaglia	Bergstrom	Brandl	Carlson, L.	Coleman
Beard	Bishop	Brinkman	Clark, J.	Dempsey

DenOuden	Hoffman	Minne	Rice	Swanson
Dimler	Jacobs	Munger	Riveness	Thiede
Eken	Jennings	Murphy	Rodriguez, C.	Tomlinson
Elioff	Jensen	Nelson, D.	Rodriguez, F.	Tunheim
Ellingson	Johnson	Nelson, K.	Rose	Uphus
Erickson	Kahn	Neuenschwander	Sarna	Valan
Evans	Kalis	O'Connor	Schafer	Valento
Findlay	Kelly	Ogren	Scheid	Vanasek
Fjoslien	Knickerbocker	Olsen	Schoenfeld	Vellenga
Forsythe	Knuth	Omamn	Schreiber	Waltman
Frerichs	Kostohryz	Onnen	Seaberg	Welch
Graba	Krueger	Osthoff	Segal	Welker
Greenfield	Larsen	Otis	Shea	Welle
Gruenes	Levi	Pauly	Sherman	Wenzel
Gustafson	Long	Peterson	Simoneau	Wigley
Gutknecht	Ludeman	Piepho	Skoglund	Wynia
Halberg	Marsh	Piper	Solberg	Zaffke
Haukoos	McDonald	Price	Sparby	Speaker Sieben
Heap	McEachern	Quist	Stadum	
Heinitz	McKasy	Redalen	Staten	
Himle	Metzen	Reif	Svigum	

The bill was passed and its title agreed to.

There being no objection the bills on the Technical Consent Calendar were now considered.

H. F. No. 1770, A bill for an act relating to the city of Minneapolis; authorizing compensation for members of the park and recreation board; amending Laws 1974, chapter 181, section 1, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kahn	Nelson, K.	Rodriguez, C.
Battaglia	Ellingson	Kalis	Neuenschwander	Rodriguez, F.
Beard	Findlay	Kelly	Norton	Rose
Begich	Forsythe	Knickerbocker	Ogren	Sarna
Bennett	Graba	Knuth	Olsen	Scheid
Bergstrom	Greenfield	Kostohryz	Omamn	Schoenfeld
Bishop	Gruenes	Krueger	Onnen	Schreiber
Blatz	Gustafson	Kvam	Osthoff	Seaberg
Boo	Gutknecht	Larsen	Otis	Segal
Brandl	Halberg	Levi	Pauly	Shea
Brinkman	Haukoos	Long	Peterson	Sherman
Burger	Heap	Marsh	Piepho	Simoneau
Carlson, L.	Heinitz	McEachern	Piper	Skoglund
Clark, J.	Himle	McKasy	Price	Solberg
Clark, K.	Hoffman	Metzen	Quinn	Sparby
Coleman	Hokr	Minne	Quist	Stadum
Dempsey	Jacobs	Munger	Redalen	Staten
Dimler	Jensen	Murphy	Reif	Swanson
Eken	Johnson	Nelson, D.	Riveness	Tomlinson

Tunheim
Valan
Valento

Vanasek
Vellenga
Voss

Waltman
Welch
Welle

Wenzel
Wynia

Zaffke
Speaker Sieben

Those who voted in the negative were:

DenOuden
Erickson
Fjoslien

Frerichs
Jennings

Ludeman
McDonald

Schafer
Thiede

Weiker
Wigley

The bill was passed and its title agreed to.

H. F. No. 1809 was reported to the House.

There being no objection H. F. No. 1809 was continued on the Consent Calendar for one day.

H. F. No. 2081, A bill for an act relating to local government; changing the authority for licensing and inspecting vending machines; amending Minnesota Statutes 1982, sections 145.031, subdivision 1; 145.55, subdivision 1; 145.918, subdivision 2; 366.01, subdivision 2; and Minnesota Statutes 1983 Supplement, section 28A.09, subdivision 1; repealing Minnesota Statutes 1982, sections 144.075; 375.193; and 461.02.

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.
Anderson, G.
Battaglia
Beard
Begich
Bennett
Bergstrom
Bishop
Blatz
Brandl
Brinkman
Burger
Carlson, D.
Carlson, L.
Clark, J.
Clark, K.
Clawson
Cohen
Coleman
Dempsey
DenOuden
Dimler
Eken
Elioff
Ellingson

Erickson
Findlay
Fjoslien
Forsythe
Frerichs
Graba
Greenfield
Gruenes
Gustafson
Gutknecht
Halberg
Haukoos
Heap
Hejnitz
Himle
Hoffman
Hokr
Jacobs
Jennings
Jensen
Johnson
Kahn
Kalis
Kelly
Knickerbocker

Knuth
Kostohryz
Krueger
Kvam
Larsen
Levi
Long
Ludeman
McDonald
McEachern
McKasy
Metzen
Minne
Munger
Murphy
Nelson, D.
Nelson, K.
Neuenschwander
Norton
Ogren
Olsen
Omann
Onnen
Osthoff
Otis

Pauly
Peterson
Piepho
Piper
Price
Quinn
Quist
Redalen
Reif
Rice
Riveness
Rodriguez, C.
Rodriguez, F.
Rose
Sarna
Schafer
Scheid
Schoenfeld
Schreiber
Seaberg
Segal
Shea
Sherman
Simoneau
Skoglund

Solberg
Sparby
Stadum
Staten
Sviggum
Swanson
Thiede
Tonlinson
Tunheim
Valan
Valento
Vanasek
Vellenga
Voss
Waltman
Welch
Welker
Welle
Wenzel
Wigley
Wynia
Zaffke
Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 2247, A bill for an act relating to public health; exempting increases of less than five swing beds from certificate of need review; amending Minnesota Statutes 1982, section 145.833, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Pauly	Sparby
Anderson, G.	Erickson	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	McDonald	Reif	Uphus
Boo	Gustafson	McEachern	Riveness	Valan
Brandl	Gutknecht	McKasy	Rodriguez, C.	Valento
Brinkman	Halberg	Metzen	Rodriguez, F.	Vanasek
Burger	Haukoos	Minne	Rose	Vellenga
Carlson, D.	Heap	Munger	Sarna	Voss
Carlson, L.	Heinitz	Murphy	Schafer	Waltman
Clark, J.	Himle	Nelson, D.	Scheid	Welch
Clark, K.	Hoffman	Nelson, K.	Schoenfeld	Welker
Clawson	Hokr	Neuenschwander	Schreiber	Welle
Cohen	Jacobs	Norton	Seaberg	Wenzel
Coleman	Jennings	Ogren	Segal	Wigley
Dempsey	Jensen	Olsen	Shea	Wynia
DenOuden	Johnson	Omann	Sherman	Zaffke
Dimler	Kalis	Onnen	Simoneau	Speaker Sieben
Eken	Kelly	Osthoff	Skoglund	
Elhoff	Knickerbocker	Otis	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2301 was reported to the House.

Osthoff moved that H. F. No. 2301 be continued on the Consent Calendar for one day. The motion prevailed.

S. F. No. 416, 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.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1396, A bill for an act relating to local government; requiring the county board of adjustment to take the town board's recommendation into consideration when making certain decisions; amending Minnesota Statutes 1982, section 394.27, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Forsythe	Jennings	McDonald
Anderson, G.	Clark, K.	Frerichs	Jensen	McEachern
Battaglia	Clawson	Graba	Johnson	McKasy
Beard	Cohen	Greenfield	Kahn	Metzen
Begich	Coleman	Gruenes	Kalis	Minne
Bennett	Dempsey	Gustafson	Kelly	Munger
Bergstrom	DenOuden	Gutknecht	Knickerbocker	Murphy
Bishop	Dimler	Halberg	Knuth	Nelson, D.
Blatz	Eken	Haukoos	Kostohryz	Nelson, K.
Boo	Elioff	Heap	Krueger	Neuenschwander
Brandl	Ellingson	Heinitz	Kvam	Norton
Brinkman	Erickson	Himle	Larsen	O'Connor
Burger	Evans	Hoffman	Levi	Ogren
Carlson, D.	Findlay	Hokr	Long	Olsen
Carlson, L.	Fjoslien	Jacobs	Ludeman	Omann

Omnen	Reif	Segal	Swanson	Welch
Osthoff	Rice	Shaver	Thiede	Welker
Otis	Riveness	Shea	Tomlinson	Welle
Pauly	Rodriguez, C.	Sherman	Tunheim	Wenzel
Peterson	Rodriguez, F.	Simoneau	Uphus	Wigley
Piepho	Rose	Skoglund	Valan	Wynia
Piper	Schafer	Solberg	Valento	Zaffke
Price	Scheid	Sparby	Vanasek	Speaker Sieben
Quinn	Schoenfeld	Stadum	Vellenga	
Quist	Schreiber	Staten	Voss	
Redalen	Seaberg	Sviggum	Waltman	

Those who voted in the negative were:

Sarna

The bill was passed and its title agreed to.

Sviggum moved that H. F. No. 427, continued earlier today on the Consent Calendar, be returned to its author. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 2314.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rice moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2314 be given its third reading and be placed upon its final passage. The motion prevailed.

Rice moved that the rules of the House be so far suspended that H. F. No. 2314 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 2314 was reported to the House.

CALL OF THE HOUSE

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

Battaglia	Boo	Clark, K.	Dimler	Fjoslien
Beard	Brandl	Clawson	Elioff	Forsythe
Begich	Burger	Cohen	Ellingson	Frerichs
Bennett	Carlson, D.	Coleman	Erickson	Graba
Bergstrom	Carlson, L.	Dempsey	Evans	Greenfield
Blatz	Clark, J.	DenOuden	Findlay	Gruenes

Gustafson	Kostohryz	O'Connor	Rodriguez, F.	Swanson
Gutknecht	Krueger	Ogren	Rose	Thiede
Haukoos	Kvam	Olsen	St. Onge	Tomlinson
Heap	Larsen	Omann	Sarna	Tunheim
Heinitz	Levi	Onnen	Schafer	Uphus
Himle	Long	Osthoff	Scheid	Valan
Hoffman	Ludeman	Otis	Schoenfeld	Valento
Hokr	Marsh	Pauly	Schreiber	Vellenga
Jacobs	McDonald	Peterson	Seaberg	Waltman
Jennings	McKasy	Piepho	Segal	Welch
Jensen	Metzen	Piper	Sherman	Welker
Johnson	Minne	Price	Simoneau	Welle
Kahn	Munger	Quinn	Skoglund	Wenzel
Kalis	Murphy	Quist	Solberg	Wigley
Kelly	Nelson, D.	Reif	Sparby	Zaffke
Knickerbocker	Neuenschwander	Rice	Staten	Speaker Sieben
Knuth	Norton	Rodriguez, C.	Sviggum	

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

DenOuden moved to amend H. F. No. 2314, as follows:

Page 1, delete line 28

Page 2, line 11, delete "\$171,542,500" insert "\$171,092,500"

Page 2, line 12, delete "22,395,100" insert "21,945,100"

Page 8, delete lines 12 to 16

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 38 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Himle	McKasy	Uphus
Bishop	Frerichs	Jennings	Omann	Valento
Blatz	Graba	Johnson	Quist	Waltman
Boo	Gutknecht	Krueger	Reif	Welker
Burger	Halberg	Kvam	Schafer	Wigley
DenOuden	Haukoos	Levi	Shaver	Zaffke
Dimler	Heap	Ludeman	Sviggum	
Erickson	Heinitz	McDonald	Thiede	

Those who voted in the negative were:

Anderson, B.	Bergstrom	Carlson, L.	Cohen	Elloff
Battaglia	Brandl	Clark, J.	Coleman	Ellingson
Beard	Brinkman	Clark, K.	Dempsey	Evans
Begich	Carlson, D.	Clawson	Eken	Forsythe

Greenfield	Long	Osthoff	St. Onge	Swanson
Gruenes	Marsh	Otis	Sarna	Tomlinson
Gustafson	Metzen	Pauly	Scheid	Tunheim
Hoffman	Minne	Peterson	Schreiber	Valan
Jacobs	Munger	Piepho	Seaberg	Vanasek
Jensen	Murphy	Piper	Segal	Vellenga
Kahn	Nelson, D.	Price	Shea	Voss
Kalis	Nelson, K.	Quinn	Sherman	Welch
Kelly	Norton	Rice	Simoneau	Welle
Knickerbocker	O'Connor	Rivness	Skoglund	Wenzel
Knuth	Ogren	Rodriguez, C.	Solberg	Wynia
Kostohryz	Olsen	Rodriguez, F.	Sparby	Speaker Sieben
Larsen	Onnen	Rose	Staten	

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

Sherman moved to amend H. F. No. 2314, as follows:

Page 21, after line 12, insert the following:

“This appropriation is from the state building fund.”

Page 21, line 21, after “project.” Delete the balance of the line

Page 21, delete line 22

The motion prevailed and the amendment was adopted.

H. F. No. 2314, A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, sections 16.72, subdivision 7; 85A.04, subdivision 3; 475A.03, subdivision 1; 475A.05, subdivision 1, and by adding a subdivision; 475A.06, subdivision 7; and Laws 1983, chapter 344, section 6, subdivision 8; repealing Laws 1981, chapter 275; and chapter 334, section 11, subdivision 4; and Laws 1982, chapter 639, section 5.

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

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

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 106 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Otis	Staten
Anderson, G.	Findlay	Krueger	Piepho	Sviggum
Battaglia	Forsythe	Kvam	Piper	Swanson
Beard	Frerichs	Larsen	Price	Thiede
Begich	Graba	Levi	Quinn	Tomlinson
Bennett	Greenfield	Long	Rice	Tunheim
Bergstrom	Gruenes	Marsh	Riveness	Uphus
Bishop	Gustafson	McEachern	Rodriguez, C.	Valan
Boo	Gutknecht	McKasy	Rodriguez, F.	Vanasek
Brandl	Halberg	Metzen	Rose	Vellenga
Burger	Haukoos	Minne	St. Onge	Voss
Carlson, D.	Heap	Munger	Sarna	Waltman
Carlson, L.	Hoffman	Murphy	Schoenfeld	Welch
Clark, J.	Hokr	Nelson, D.	Schreiber	Welle
Clark, K.	Jacobs	Nelson, K.	Seaberg	Wenzel
Clawson	Jensen	Neuenschwander	Segal	Wigley
Cohen	Johnson	Norton	Shea	Wynia
Coleman	Kahn	O'Connor	Sherman	Speaker Sieben
Eken	Kalis	Ogren	Simoneau	
Elioff	Kelly	Olsen	Skoglund	
Ellingson	Knickerbocker	Onnen	Solberg	
Erickson	Knuth	Osthoff	Sparby	

Those who voted in the negative were:

Blatz	Heinitz	McDonald	Reif	Valento
DenOuden	Himle	Omman	Schafer	Welker
Dimler	Jennings	Fauly	Shaver	Zaffke
Fjoslien	Ludeman	Quist	Stadum	

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

Johnson was excused at 2:50 p.m. Sherman was excused at 3:30 p.m. Otis, Stadum, Heap and Halberg were excused at 4:25 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of The Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1606 and 1651 which it recommended to pass.

H. F. Nos. 1527, 1668, 1843 and 1981 which it recommended progress.

H. F. Nos. 1557 and 347 which it recommended progress retaining their places on General Orders.

H. F. No. 1345 which it recommended be returned to its author.

H. F. No. 1937 which it recommended be re-referred to the Committee on Appropriations.

S. F. No. 214, the unofficial engrossment, which it recommended progress retaining its place on General Orders with the following amendments:

Offered by Osthoff:

Page 1, delete lines 17 to 18

Reletter the remaining clauses

Offered by McDonald:

Page 1, line 21, after "*medical*" insert "*or psychological*"

Page 1, line 21, after "*unfitness*" insert "*, including a fear of being entrapped,*"

H. F. No. 1421 which it recommended to pass with the following amendment offered by Simoneau:

Page 1, line 17, delete "*a*"

Page 1, line 18, delete "*state*"

S. F. No. 1810 which it recommended to pass with the following amendments:

Offered by Riveness:

Page 1, line 15, after "*policy*" insert "*or any policy providing insurance coverage as provided in section 60A.06, subdivision 1, clause (1), that insures commercial dwellings*"

Page 1, line 23, after the first comma delete "*including temporary rules,*"

Page 1, line 25, after "*policy*" insert "*or any policy providing insurance coverage as provided in section 60A.06, subdivision 1, clause (1), that insures commercial dwellings*"

Page 2, line 2, delete the second comma

Page 2, line 3, delete "*paragraphs (a), (b), (c), and (d)*"

Page 2, line 5, after "causes" insert "or any claim where no payment is made by the insurer"

Offered by Clawson:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1982, section 61A.39, is amended to read:

61A.39 [COOPERATIVE LIFE AND CASUALTY COMPANIES.]

Subdivision 1. [COOPERATIVE PLAN.] Every corporation, society, or association which issues a certificate or policy or makes an agreement with its members by which, upon the death of a member, any money is to be paid to, or benefit conferred upon, the legal representatives or designated beneficiaries of such member, or reaching a certain age, to pay any money or benefit to him, such money or benefit to be derived from voluntary donations, admission fees, dues, or assessments to be collected from its members or any class thereof, and which reserves the right to make any additional assessments, or without the consent of the certificate or policyholder to increase the premium named therein, shall be deemed to be engaged in the business of life insurance upon the cooperative or assessment plan. Every corporation which likewise agrees, in case of accident, sickness, or other physical disability, or reaching a certain age, to pay money or confer benefits likewise derived and issuing certificates or policies with similar conditions with reference to the payment of dues or assessments, shall be deemed to be engaged in the business of casualty insurance upon the cooperative or assessment plan, and shall, except as herein otherwise specified, be subject to the provisions of sections 61A.39 to 61A.42 and 61A.44 to 61A.50.

Subd. 2. [CONTINUED CORPORATE EXISTENCE.] Notwithstanding the repeal of Minnesota Statutes, sections 63.01, 63.011, and 63.02 to 63.35 pursuant to Laws 1983, chapter 104, section 1, any corporation, society or association formed or having existed under Laws 1933, chapter 241, whether or not it amended its articles of incorporation in accordance with Laws 1945, chapter 178, as amended by Laws 1951, chapter 257, and which has transformed itself into a cooperative life insurance company to engage in business under the cooperative plan, shall be and continue to exist as a corporation by virtue of the provisions hereof and may exercise and shall continue to have and to hold all the rights, privileges and powers which it had, prior to the repeal of such sections, including those derived under Laws 1945, chapter 178, section 1, as amended by Laws 1951, chapter 257, section 2."

Renumber subsequent sections

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 61A.39 and"

S. F. No. 1750 which it recommended to pass with the following amendment offered by Segal:

Page 13, line 18, after the period insert "*If the course consists of less than 50 percent substantive and procedural knowledge of real estate, credit shall be granted only for the portion directly related to real estate.*"

H. F. No. 1635 which it recommended to pass with the following amendment offered by Peterson:

Page 36, line 4, delete "*conceit*" and insert "*deceit*"

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:

Quist moved to amend S. F. No. 214, the unofficial engrossment, as amended, as follows:

Page 1, delete lines 19 to 25 and insert:

"(b) persons driving or riding in a motor vehicle upon which an exemption sticker is displayed. Upon receipt of an application, the Department of Public Safety shall issue to the registered owner or lessee of a motor vehicle an exemption sticker or stickers for display in the rear window of the registered owner or lessee's vehicle or vehicles. The application form for this sticker shall be prescribed by the Department of Public Safety and shall be made available wherever license plates are sold. The effective dates for the exemption card shall coincide with the effective dates of the license for the motor vehicle."

Page 2, delete lines 1 to 3.

Reletter the remaining clauses accordingly.

Jennings moved to amend the Quist amendment to S. F. No. 214, the unofficial engrossment, as amended, as follows:

In the third line of the Quist amendment, after "*is*" insert "*not*"

The question was taken on the amendment to the amendment and the roll was called. There were 55 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Kalis	Omann	Sviggum
Begich	Fjoslien	Kostohryz	Onnen	Thiede
Bishop	Frerichs	Krueger	Piepho	Uphus
Blatz	Gruenes	Kvam	Redalen	Valan
Brinkman	Gustafson	Levi	Rose	Valento
Burger	Halberg	Ludeman	St. Onge	Voss
Dempsey	Haukoos	Marsh	Sarna	Waltman
DenOuden	Heap	McDonald	Schafer	Welker
Dimler	Jacobs	McEachern	Sherman	Wenzel
Erickson	Jennings	Metzen	Solberg	Wigley
Evans	Jensen	O'Connor	Stadum	Zaffke

Those who voted in the negative were:

Anderson, B.	Forsythe	McKasy	Quinn	Staten
Anderson, G.	Graba	Minne	Quist	Swanson
Battaglia	Greenfield	Murphy	Reif	Tomlinson
Beard	Gutknecht	Neuenschwander	Rice	Tunheim
Bennett	Himle	Norton	Rodriguez, C.	Vellenga
Bergstrom	Hoffman	Olsen	Rodriguez, F.	Welch
Brandl	Kahn	Osthoft	Scheid	Welle
Carlson, L.	Kelly	Otis	Schoenfeld	Wynia
Clark, J.	Knickerbocker	Pauly	Seaberg	Speaker Sieben
Clawson	Knuth	Peterson	Shaver	
Cohen	Larsen	Piper	Simoneau	
Coleman	Long	Price	Skoglund	

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

The question recurred on the Quist amendment and the roll was called. There were 15 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	McDonald	Pauly	Seaberg
Boo	Findlay	O'Connor	Quist	Uphus
Clawson	Long	Olsen	Rodriguez, F.	Welch

Those who voted in the negative were:

Anderson, B.	Carlson, L.	Graba	Jennings	Ogren
Anderson, G.	Clark, J.	Greenfield	Kahn	Omann
Battaglia	Clark, K.	Gruenes	Kelly	Osthoft
Beard	Coleman	Gustafson	Knuth	Otis
Begich	Dempsey	Gutknecht	Kvam	Peterson
Bennett	DenOuden	Halberg	Levi	Piepho
Bergstrom	Eken	Haukoos	Ludeman	Piper
Bishop	Elioff	Heap	Marsh	Quinn
Blatz	Ellingson	Heinitz	Minne	Redalen
Brandl	Fjoslien	Himle	Munger	Reif
Burger	Forsythe	Hoffman	Murphy	Rice
Carlson, D.	Frerichs	Jacobs	Norton	Rose

St. Onge	Shaver	Staten	Valento	Wynia
Scheid	Simoneau	Sviggum	Vellenga	Zaffke
Schoenfeld	Skoglund	Swanson	Welker	Speaker Sieben
Schreiber	Solberg	Thiede	Welle	
Segal	Sparby	Tomlinson	Wenzel	

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

McDonald moved to amend S. F. No. 214, the unofficial engrossment, as amended, as follows:

Page 1, line 21, after "*medical*" insert "*or psychological*"

Page 1, line 21, after "*unfitness*" insert "*, including a fear of being entrapped,*"

The question was taken on the McDonald amendment and the roll was called. There were 98 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Kostohryz	Osthoff	Sparby
Battaglia	Evans	Krueger	Otis	Stadum
Begich	Findlay	Kvam	Pauly	Sviggum
Bennett	Fjoslien	Levi	Peterson	Swanson
Bergstrom	Frerichs	Long	Piepho	Thiede
Bishop	Graba	Ludeman	Piper	Tomlinson
Blatz	Greenfield	Marsh	Quinn	Tunheim
Boo	Gruenes	McDonald	Quist	Uphus
Brandl	Gustafson	McEachern	Redalen	Valan
Brinkman	Cutknecht	McKasy	Reif	Valento
Burger	Halberg	Metzen	Riveness	Vanasek
Carlson, D.	Haukoos	Minne	Rodriguez, C.	Welch
Carlson, L.	Heap	Murphy	Rodriguez, F.	Welker
Clark, K.	Hokr	Nelson, D.	Rose	Wenzel
Coleman	Jacobs	Neuenschwander	St. Onge	Wigley
DenOuden	Jennings	Norton	Schafer	Wynia
Dimler	Jensen	O'Connor	Schoenfeld	Zaffke
Eken	Kalis	Olsen	Schreiber	Speaker Sieben
Elioff	Kelly	Omamn	Segal	
Ellingson	Knickerbocker	Onnen	Solberg	

Those who voted in the negative were:

Anderson, B.	Clark, J.	Forsythe	Seaberg	Skoglund
Anderson, G.	Clawson	Hoffman	Shaver	Staten
Beard	Dempsey	Kahn	Simoneau	

The motion prevailed and the amendment was adopted.

Fjoslien, Ludeman and Begich moved to amend S. F. No. 214, the unofficial engrossment, as amended, as follows:

Page 2, after line 16, insert:

"Sec. 2.

Section 1 is effective only after the issue has passed in a state-wide referendum. The secretary of state shall be responsible for carrying out this section."

The question was taken on the amendment and the roll was called. There were 48 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Elioff	Kostohryz	Onnen	Uphus
Beard	Erickson	Krueger	Redalen	Valan
Begich	Evans	Kvam	Rose	Valento
Bishop	Findlay	Levi	St. Onge	Voss
Blatz	Fjoslien	Ludeman	Schafer	Waltman
Brinkman	Frerichs	Marsh	Sparby	Welker
Burger	Graba	McEachern	Stadum	Wenzel
Carlson, D.	Gutknecht	Metzen	Sviggum	Zaffke
Carlson, L.	Haukoos	O'Connor	Swanson	
DenOuden	Jennings	Omann	Thiede	

Those who voted in the negative were:

Anderson, B.	Forsythe	Long	Price	Shea
Anderson, G.	Greenfield	Minne	Quinn	Simoneau
Battaglia	Gruenes	Munger	Quist	Skoglund
Bergstrom	Halberg	Murphy	Reif	Solberg
Boo	Heap	Neuenschwander	Rice	Staten
Brandl	Heinitz	Norton	Riveness	Tomlinson
Clark, J.	Himle	Ogren	Rodriguez, C.	Vellenga
Clark, K.	Hoffman	Olsen	Rodriguez, F.	Welch
Clawson	Jacobs	Osthoft	Scheid	Welle
Coleman	Kahn	Otis	Schoenfeld	Wynia
Dempsey	Kalis	Pauly	Schreiber	Speaker Sieben
Dimler	Kelly	Peterson	Seaberg	
Eken	Knickerbocker	Piepho	Segal	
Ellingson	Larsen	Piper	Shaver	

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

The question was taken on the motion to recommend passage of S. F. No. 214, the unofficial engrossment, as amended, and the roll was called. There were 56 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Long	Price	Skoglund
Anderson, G.	Forsythe	McKasy	Reif	Staten
Battaglia	Graba	Munger	Rice	Tomlinson
Bennett	Greenfield	Murphy	Rodriguez, C.	Vanasek
Bergstrom	Himle	Nelson, D.	Rodriguez, F.	Vellenga
Boo	Hoffman	Norton	Scheid	Welch
Brandl	Kahn	Olsen	Schoenfeld	Wynia
Clark, J.	Kalis	Osthoft	Seaberg	Speaker Sieben
Clark, K.	Kelly	Otis	Segal	
Cohen	Knickerbocker	Pauly	Shaver	
Coleman	Knuth	Peterson	Shea	
Eken	Larsen	Piper	Simoneau	

Those who voted in the negative were:

Anderson, R.	Evans	Kostohryz	Piepho	Thiede
Beard	Findlay	Krueger	Quinn	Tunheim
Begich	Fjoslien	Kvam	Quist	Uphus
Bishop	Frerichs	Levi	Redalen	Valan
Blatz	Gruenes	Ludeman	Riveness	Valento
Brinkman	Gustafson	Marsh	Rose	Voss
Burger	Gutknecht	McDonald	St. Onge	Waltman
Carlson, D.	Halberg	McEachern	Sarna	Welker
Carlson, L.	Haukoos	Metzen	Schafer	Welle
Clawson	Heap	Minne	Schreiber	Wenzel
Dempsey	Heinitz	Neuenschwander	Solberg	Wigley
DenOuden	Hokr	O'Connor	Sparby	Zaffke
Dimler	Jacobs	Ogren	Stadum	
Elioff	Jennings	Omman	Sviggum	
Erickson	Jensen	Onnen	Swanson	

The motion did not prevail.

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

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1577, A bill for an act relating to solid and hazardous waste management; amending various provisions of the waste management act; prescribing various powers and duties of the waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical and research assistance to generators, and studies of hazardous waste reduction and processing and collection facilities; requiring requests for proposals for hazardous waste processing facilities; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; amending various provisions relating to county and metropolitan solid waste management; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivision 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.11; 115A.18; 115A.24; 115A.46, subdivision 1; 115A.70, by adding a subdivision; 400.162; 473.181, subdivision 4; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivisions 5 and 5a; 115A.21, subdivision 1; 115A.22, subdivisions 1 and 4; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; and 473.823, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 115A and 116E; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 115A.03, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 115A.01 to 115A.72 and sections 32 to 49, the terms defined in this section have the meanings given them, unless the context requires otherwise.

Sec. 2. Minnesota Statutes 1982, section 115A.03, subdivision 28, is amended to read:

Subd. 28. "Resource recovery facility" means a waste facility established and used primarily for resource recovery, *including related and appurtenant facilities such as transmission facilities and transfer stations primarily serving the resource recovery facility.*

Sec. 3. Minnesota Statutes 1982, section 115A.06, is amended by adding a subdivision to read:

Subd. 5a. [ACQUISITION OF EASEMENTS.] *If the board determines that any activity deemed necessary to accomplish its purposes under subdivision 5 constitutes a substantial interference with the possession, enjoyment, or value of the property where the activity will take place, the board may acquire a temporary easement interest in the property that permits the board to carry out the activity and other activities incidental to the accomplishment of the same purposes. The board may acquire temporary easement interests under this subdivision by purchase, gift, or condemnation. The right of the board to acquire a temporary easement is subject to the same requirements and may be exercised with the same authority as provided for acquisition of property interests by the commissioner of administration under subdivision 4.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 115A.08, subdivision 5, is amended to read:

Subd. 5. [REPORT ON MITIGATION OF LOCAL EFFECTS OF HAZARDOUS WASTE FACILITIES.] (WITH THE REPORT REQUIRED BY SUBDIVISION 4.) The board through its chairperson shall (ISSUE A) report and make recommendations on methods of mitigating and compensating for the local risks, costs, and other adverse effects of various types of hazardous waste facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered (SHALL) *must* include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls;

preference in reviews of applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur. *The recommendations on processing facilities must be made with the report required by subdivision 4. The recommendations on disposal facilities must be made with the report required by section 4.*

Sec. 5. Minnesota Statutes 1982, section 115A.08, is amended by adding a subdivision to read:

Subd. 5b. [REPORT ON NEED AND FEASIBILITY OF HAZARDOUS WASTE DISPOSAL FACILITIES.] The board through its chairperson shall issue a report on the estimate of need and the economic feasibility analysis required by section 115A.24. The report must be issued before the hearing required by section 115A.27. The board through its chairperson shall issue an interim report by February 1, 1985, on the research on need and economic feasibility.

Sec. 6. Minnesota Statutes 1982, section 115A.09, is amended by adding a subdivision to read:

Subd. 5. [INCLUSION OF VOLUNTEER SITES.] The owner of property that may be a suitable location for a hazardous waste processing facility may apply to the board for inclusion of the property in the inventory of preferred areas. If the board accepts the application, the property must be evaluated as provided in subdivision 2. If the board determines that the property is suitable as a preferred area it may include it in the inventory after complying with the procedures provided in subdivision 3.

Sec. 7. Minnesota Statutes 1982, section 115A.11, is amended to read:

115A.11 [HAZARDOUS WASTE MANAGEMENT PLAN.]

Subdivision 1. [(CONTENTS) REQUIREMENT.] The board shall adopt, amend as appropriate, and implement a hazardous waste management plan.

Subd. 1a. [POLICY.] In developing and implementing the plan, the highest priority of the board (SHALL) must be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes (WHICH) that will reduce or eliminate hazardous waste generation; recycling, re-use, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion

and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board shall also consider technologies for retrievable storage of hazardous wastes for later recycling, re-use, recovery, conversion, or treatment.

Subd. 1b. [CONTENTS.] The plan (SHALL) must include at least the (FOLLOWING) elements (:) prescribed in this subdivision.

(a) (AN) *The plan must estimate (OF) the types and (VOLUMES) quantities of hazardous waste (WHICH) that will be generated in the state through the year 2000 (;).*

(b) *The plan must set out specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and (PRACTICE) use of disposal facilities located within the state, through waste reduction, pretreatment, retrievable storage, processing, and resource recovery (;).*

(c) (A DESCRIPTION OF) *The plan must estimate the minimum disposal capacity and capability (NEEDED TO BE DEVELOPED WITHIN) required by generators in the state for use through the year 2000 (,). The estimate must be based on the achievement of the objectives under (CLAUSE) paragraph (b) (;).*

(d) (A DESCRIPTION OF) *The plan must describe and recommend the implementation strategies required to (DEVELOP THE NEEDED) assure availability of disposal capacity for the types and quantities of waste estimated under (CLAUSE) paragraph (c) and to achieve the objectives (UNDER CLAUSE) required by paragraph (b) (, INCLUDING). The recommendations must address at least the following: the necessary private and government actions; the types of facilities and programs required; the availability and use of specific facilities outside of the state; development schedules for facilities, services, and (REGULATIONS) rules that should be established in the state; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.*

(e) *The plan (SHALL) must provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the board shall consider its impact upon agriculture and natural resources.*

(f) *The plan (SHALL REQUIRE THE ESTABLISHMENT IN THE STATE OF AT LEAST ONE COMMERCIAL RETRIEVABLE STORAGE OR DISPOSAL FACILITY AND SHALL RECOMMEND AND ENCOURAGE) must include methods and procedures that will (INSURE) encourage the*

establishment of (AT LEAST ONE FACILITY) *programs, services, and facilities that the board recommends for development in the state for the recycling, re-use, recovery, conversion, treatment, destruction, transfer, (OR) storage, or disposal, including retrievable storage, of hazardous waste.*

The plan must be consistent with the estimate of need and feasibility analysis prepared under section 115A.24, the analysis provided in the phase I environmental impact statement determined to be adequate under section 115A.25, subdivision 1a, and the decisions made by the board under sections 115A.28 and 115A.291.

The board may make the implementation of elements of the plan contingent on actions of the legislature (WHICH) *that have been recommended in the draft plan (AND CERTIFICATION OF NEED AND CONSIDERED IN THE REPORTS SUBMITTED PURSUANT TO SECTION 115A.08).*

Subd. 2. [PROCEDURE.] (THE PLAN SHALL BE BASED UPON THE REPORTS PREPARED PURSUANT TO SECTION 115A.08.) The plan (, THE CERTIFICATE OF NEED ISSUED UNDER SECTION 115A.24,) and the procedures for hearings on the (DRAFT) plan (AND DRAFT CERTIFICATE OF NEED, SHALL) *are not (BE) subject to the rule-making or contested case provisions of chapter 14. Before revising the draft plan prepared under subdivision 3 or amending its adopted plan, the board shall provide notice and hold a public hearing in a manner consistent with the procedure followed by the board in the hearings on the draft plan, as provided in subdivision 3 and approved by the legislative commission.*

Subd. 3. [PREPARATION OF DRAFT PLAN.] By July 1, 1983, the (CHAIRMAN) *chairperson* of the board shall report to the legislative commission on waste management about the hearing to be held pursuant to this subdivision. The (CHAIRMAN) *chairperson* shall describe the board's plans and procedures for the hearing, the provisions for encouraging public participation in the hearing, and the board's plans for preparing the required report to the legislature fully and accurately summarizing the results of the hearing, the objections raised to the board's draft plan (AND CERTIFICATION), and the board's response to the testimony received. The legislative commission shall hold a hearing to receive public comment on the board's proposed hearing procedures and thereafter shall make any recommendations it deems appropriate for changes in the board's procedures. By November 1, 1983, the board through its chairperson shall issue a draft hazardous waste management plan proposed for adoption pursuant to this section (, AND A DRAFT CERTIFICATE OR CERTIFICATES OF NEED PROPOSED FOR ISSUANCE UNDER SECTION 115A.24). The draft plan (AND CERTIFICATES) must include an explanation of the basis of the findings, conclusions, and recommendations contained therein. The

board shall hold a public hearing on the draft plan (AND DRAFT CERTIFICATE OR CERTIFICATES OF NEED) within 30 days of (THEIR) *its* issuance. Notices of the draft plan (AND THE DRAFT CERTIFICATE OR CERTIFICATES) and notice of the hearing (SHALL) *must* be published in the state register and newspapers of general circulation in the state. The notices must indicate how copies of the draft plan (AND DRAFT CERTIFICATE OR CERTIFICATES OF NEED) may be obtained. The board shall make the draft plan (AND DRAFT CERTIFICATE OR CERTIFICATES OF NEED) available for public review and comment at least 21 days before the hearing. The hearing (SHALL) *must* be ordered by the chairperson of the board and (SHALL) *must* be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed by this section. The hearing officer (SHALL) *may* not issue a report but shall preside at the hearing to ensure that the hearing is conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall attend the hearing. In connection with the hearing, the chairperson of the board shall provide copies of the studies and reports on which the draft plan (AND CERTIFICATION OF NEED ARE) is based and shall present an explanation of the basis of the findings, conclusions, and recommendations in the draft plan (AND CERTIFICATION OF NEED).

Within 15 days following the hearing the director of the agency shall issue a hazardous waste pollution control report. The report must be submitted to the legislative commission. The report must be based on existing and proposed federal and state pollution control rules and available information and expertise on the character, nature, and degree of hazard of the types and categories of hazardous waste identified in the plan. The report must:

(a) assess the pollution control problems and risks associated with each type and category of hazardous waste identified by the (DRAFT CERTIFICATION OF NEED) plan as eligible for disposal, before or after pretreatment, at a facility or facilities of the type and design selected by the board, and identify design and pretreatment alternatives or other methods for dealing with those problems and risks;

(b) identify at least one specific alternative technology for dealing with each waste (WHICH) *that* the report recommends should not be (CERTIFIED) *accepted* for disposal, and assess the pollution control problems and risks associated with the alternatives;

(c) assess the pollution control problems and risks associated with each standard and criteria contained in the plan

(AND CERTIFICATION) for determining the eligibility or ineligibility of waste for disposal;

(d) assess the pollution control programs and risks associated with the processing and other alternatives to disposal (WHICH) that are recommended in the plan for specific types or categories of hazardous waste, and identify methods for dealing with those problems and risks.

Within 30 days following the hearing, the board shall revise the draft plan (AND THE DRAFT CERTIFICATE OR CERTIFICATES OF NEED) as it deems appropriate, shall make a written response to the testimony received at the hearing and to the agency's report explaining its disposition of any recommendations made with respect to the plan (AND CERTIFICATION), and shall submit to the legislative commission the revised draft plan (AND CERTIFICATION OF NEED), together with a report on the testimony received, the board's response, and the results of the hearing process.

Sec. 8. [115A.152] [TECHNICAL AND RESEARCH ASSISTANCE TO GENERATORS.]

Subdivision 1. [PURPOSES.] The board shall provide for the establishment of a technical and research assistance program for generators of hazardous waste in the state. The program must be designed to assist generators in the state to obtain information about management of hazardous wastes, to identify and apply methods of reducing the generation of hazardous wastes, to facilitate improved management of hazardous waste and compliance with hazardous waste regulations, and for other similar purposes. The program must emphasize assistance to smaller businesses that have inadequate technical and financial resources for obtaining information, assessing waste management methods, and developing and applying waste reduction techniques. Information and techniques developed under this program must be made available through the program to all generators in the state.

Subd. 2. [ASSISTANCE.] The assistance program must include at least the following elements:

(a) outreach programs including on-site consultation at locations where hazardous waste is generated, seminars, workshops, training programs, and other similar activities designed to assist generators to evaluate their hazardous waste generation and management practices, identify opportunities for waste reduction and improved management, and identify subjects that require additional information and research;

(b) a program to assemble, catalog, and disseminate information about hazardous waste reduction and management

methods, available commercial waste management facilities and consultant services, and regulatory programs (provided that specific questions by generators about interpretation or application of waste management rules or regulations should be referred to appropriate regulatory agencies);

(c) evaluation and interpretation of information needed by generators to improve their management of hazardous waste; and

(d) informational and technical research to identify alternative technical solutions that can be applied by specific generators to reduce the generation of hazardous waste.

Subd. 3. [ADMINISTRATION; EVALUATION.] The assistance program must be coordinated with other public and private programs that provide management and technical assistance to smaller businesses and generators of small quantities of hazardous waste, including programs operated by public and private educational institutions. The board may make grants to a public or private person or association that will establish and operate the elements of the program, but the grants must require that the assistance be provided at no cost to the generators and that the grantees provide periodic reports on the improvements in waste management, waste reduction, and regulatory compliance achieved by generators through the assistance provided.

Sec. 9. [115A.154] [WASTE REDUCTION GRANTS.]

Subdivision 1. [PROPOSALS AND GRANTS.] The board may make grants to generators of hazardous waste in the state for studies to determine the feasibility of applying specific methods and technologies to reduce the generation of hazardous waste. Grants may be awarded only on the basis of proposals submitted to the board by generators. The board shall select proposals that offer the greatest opportunity to significantly reduce the generation of hazardous waste by the generators making the proposal and, if applied generally, to significantly reduce the generation of hazardous waste in the state. The significance of waste reduction may be measured by the volume of hazardous waste that is eliminated or by the reduction in risk to public health and safety and the environment that is achieved by the reduction. In awarding grants, the board may consider the extent of any financial and technical support that will be available from other sources for the study. The board may adopt additional criteria for awarding grants consistent with the purposes of this section.

Subd. 2. [LIMITATIONS.] The waste reduction information and techniques developed using grants awarded under this section must be made available to all generators in the state

through the technical assistance and research program established under section 8. Grant money awarded under this section may not be spent for capital improvements or equipment.

Sec. 10. [115A.156] [WASTE PROCESSING AND COLLECTION FACILITIES AND SERVICES; DEVELOPMENT GRANTS.]

Subdivision 1. [PURPOSE.] The board may make grants to eligible recipients to determine the feasibility and method of developing and operating specific types of commercial facilities and services for collecting and processing hazardous waste, including integrated facilities designed for both processing and disposal of hazardous waste. Grants may be made for:

- (1) market assessment, including generator surveys;*
- (2) conceptual design and preliminary engineering;*
- (3) financial and business planning necessary to address sources of funding, financial security, liability, pricing structure, and similar matters necessary to the development and proper operation of a facility or service;*
- (4) environmental impact and site analysis, preparation of permit applications, and environmental and permit reviews;*
- (5) analysis of methods of overcoming identified technical, institutional, legal, regulatory, market, or other constraints; and*
- (6) analysis of other factors affecting development, operation, and use of a facility or service.*

Subd. 2. [ELIGIBILITY.] A person proposing to develop and operate specific collection and processing facilities or services to serve generators in the state is eligible for a grant. The board may give preference to applications by associations of two or more generators in the state proposing to develop and operate commercial facilities or services capable of collecting or processing their hazardous wastes.

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] The board may establish procedures for awarding grants under this section. The procedures for awarding grants shall include consideration of the following factors:

- (1) the need to provide collection and processing for a variety of types of hazardous wastes;*
- (2) the extent to which the facility or service would provide a significant amount of processing or collection capacity for waste generated in the state, measured by the volume of waste*

to be managed, the number and geographic distribution of generators to be served, or the reduction of risk to public health and safety and the environment achieved by the operation of the facility or service;

(3) the availability of the facility or service to all generators needing the service in the area to be served;

(4) the contribution of the facility or service to achieving the policies and objectives of the hazardous waste management plan;

(5) participation by persons with demonstrated experience in developing, designing, or operating hazardous waste collection or processing facilities or services;

(6) the need for assistance from the board to accomplish the work;

(7) the extent to which a proposal would produce and analyze new information; and

(8) other factors established by the board consistent with the purposes of this section.

The board may adopt temporary rules under sections 14.29 to 14.36 to implement the grant program. Temporary rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Subd. 4. [LIMITATIONS.] A grant may not exceed \$50,000. The board may award more than one grant for a single proposed facility or service if the board finds that results of previous studies justify additional work on other aspects of the development and operation of the facility or service. Grant money may not be spent for capital improvements or equipment.

Subd. 5. [MATCHING FUNDS REQUIRED.] A recipient other than an association of generators in the state must agree to pay at least 50 percent of the cost of the study. An association of two or more generators in the state must agree to pay at least 20 percent of the cost of the study.

Sec. 11. [115A.158] [DEVELOPMENT OF PROCESSING AND COLLECTION FACILITIES AND SERVICES; REQUESTS FOR PROPOSALS.]

Subdivision 1. [REQUEST BY BOARD; CONTENTS OF PROPOSAL.] The board through its chairperson shall request proposals for the development and operation of specific types of commercial hazardous waste processing and col-

lection facilities and services, including integrated facilities designed for both processing and disposal of hazardous waste, that offer the greatest possibility of achieving the policies and objectives of the waste management plan including the goal of reducing to the greatest extent feasible and prudent the need for and practice of disposal. The proposals must contain at least the following information:

(1) the technical, managerial, and financial qualifications and experience of the proposer in developing and operating facilities and services of the type proposed;

(2) the technical specifications of the proposed facility or service including the process that will be used, the amount and types of hazardous waste that can be handled, the types, volume, and proposed disposition of any residuals, and a description of anticipated adverse environmental effects;

(3) the requirements of the site or sites needed to develop and operate the facility or service and the likelihood that a suitable site or sites will be available for the facility or service;

(4) projections of the costs and revenues of the facility or service, the types and numbers of generators who will use it, and the fee structure and estimated user charges necessary to make the facility or services economically viable;

(5) the schedule for developing and commencing operation of the facility or service; and

(6) the financial, technical, institutional, legal, regulatory, and other constraints that may hinder or prevent the development or operation of the facility or service and the actions that could be taken by state and local governments or by the private sector to overcome those constraints.

The information provided in the proposal must be based on current and projected market conditions, hazardous waste streams, legal and institutional arrangements, and other circumstances specific to the state.

Subd. 2. [PROCEDURE; EVALUATION; REPORT.] In requesting proposals, the board shall inform potential developers of the assistance available to them in siting and establishing hazardous waste processing and collection facilities and services in Minnesota including the availability of sites listed on the board's inventory of preferred areas for hazardous waste processing facilities, the authority of the board to acquire sites and order the establishment of facilities in those areas, the policies and objectives of the hazardous waste management plan, and the availability of information developed by the board on hazardous waste generation and management in the state.

The board shall evaluate the proposals received in response to its request and determine the extent to which the proposals demonstrate the qualifications of the developers, the technical and economic feasibility of the proposed facility or service, and the extent to which the proposed facility or service will contribute in a significant way to the achievement of the policies and objectives of the hazardous waste management plan.

The board shall report to the legislative commission on the proposals that it has received and evaluated, and on the legislative, regulatory, and other actions needed to develop and operate the proposed facilities or services.

Subd. 3. [TIME FOR PROPOSALS.] The board shall issue the first round of requests under this section by June 1, 1984. The first round proposals must be returned to the board by November 1, 1984. The board shall submit its report on these proposals to the legislative commission by January 1, 1985. The board may issue additional requests in 1985 and in future years.

Sec. 12. [115A.159] [DEVELOPMENT OF HAZARDOUS WASTE COLLECTION AND TRANSPORTATION SERVICES.]

The board through its chairperson shall request, pursuant to the first round of requests under section 11, proposals for the development and operation of a system of commercial collection and transportation services for hazardous waste especially designed to serve smaller businesses and generators of small quantities of hazardous waste that have difficulty securing effective and reliable collection and shipment services and acceptance of wastes at appropriate waste facilities. The board's request under this section should require proposals containing at least the following elements:

- (1) a collection service;*
- (2) assistance to clients about on-site waste management;*
- (3) a shipping coordination service, which may include transfer and temporary storage and bulking facilities and computerized inventory tracking capabilities, as the proposer deems appropriate and necessary to provide efficient and reliable combined shipment of wastes from generators to processing and disposal facilities;*
- (4) a brokerage service to ensure acceptance of wastes at appropriate processing and disposal facilities;*
- (5) recommendations on the utility of local or regional associations of generators to increase the efficiency and reliability of the services; and*

(6) recommendations on processing facilities, including mobile modular processing units, that would complement the collection and transportation system.

The board's request must require proposals that offer the delivery of services in stages commencing no later than July 1, 1985. The board should specify or require specification of immediate and staged performance standards for the services proposed, which may include standards relating to the volume and types of waste, the number and geographic distribution of generators served, accessibility, the percent of total waste and generators served, and other appropriate matters. After evaluating proposals received in response to its request, the board may select a proposer as the recipient of a development grant under section 10. Notwithstanding the provisions of section 10, subdivisions 4 and 5, on the amount of the grant and the required match, the grant made under this section may be up to \$350,000 and may not require a match greater than ten percent of the grant award.

Sec. 13. [115A.162] [HAZARDOUS WASTE PROCESSING FACILITY LOANS.]

The board shall review applications for hazardous waste processing facility loans received by the economic development authority and forwarded to the board under section 54. The board may certify a loan application only if it determines that:

- (1) the applicant has demonstrated that the proposed facility is technically feasible;
- (2) the applicant has made a reasonable assessment of the market for the services offered by the proposed facility;
- (3) the applicant has agreed to provide funds for the proposed facility in an amount equal to at least 25 percent of the capital cost of the facility excluding land acquisition cost;
- (4) the applicant has agreed to pay the cost of any land acquisition necessary to develop the facility; and
- (5) the facility will contribute in a significant way to achievement of the policies and objectives of the hazardous waste management plan and, in particular, to reduce the need for and practice of hazardous waste disposal.

As a condition of its certification the board may require an applicant to agree to provide funds in excess of 25 percent of the capital cost of the facility in addition to any land acquisition costs. In certifying an application or in determining the share of the capital costs that will be provided by the loan, the board may

consider the types and volumes of hazardous waste that will be handled by the facility, the number of generators served by the facility, and the extent to which the facility serves the need of smaller businesses that generate hazardous waste. The board may establish additional criteria for certifying loan applications consistent with the provisions of this section.

The board may adopt temporary rules under sections 14.29 to 14.36 to implement the loan program. Temporary rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 14. [115A.165] [EVALUATION OF PROGRAMS; REPORT.]

By November 1, 1986, the board shall evaluate the extent to which the programs provided in sections 8 to 13 have contributed to the achievement of the policies and objectives of the hazardous waste management plan. The evaluation must consider the amount of waste reduction achieved by generators through the technical and research assistance and waste reduction grant programs and the progress in reducing the need for and practice of disposal achieved through the development grants and the request for proposal program. The board shall report the results of its evaluation to the legislative commission with its recommendations for further action.

Sec. 15. Minnesota Statutes 1982, section 115A.18, is amended to read:

115A.18 [LEGISLATIVE FINDINGS; PURPOSE.]

The legislature finds that proper management of hazardous waste generated in the state is needed to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens, that the establishment of safe commercial disposal facilities (IS) in the state may be necessary and practicable to properly manage the waste, that this cannot be accomplished solely by the activities of private persons and political subdivisions acting alone or jointly, and that therefore it is necessary to provide a procedure for making final determinations on whether commercial disposal facilities should be established in the state and on the locations, sizes, types, and functions of any such facilities.

Sec. 16. Minnesota Statutes 1983 Supplement, section 115A.21, subdivision 1, is amended to read:

Subdivision 1. [SELECTION.] *The board shall select (AT LEAST FOUR LOCATIONS) more than one location in the state, no more than one site per county, as candidate sites for*

commercial disposal facilities for hazardous waste. Candidate sites (SELECTED BY THE BOARD BEFORE FEBRUARY 1, 1983, AND ADDITIONAL CANDIDATE SITES SELECTED PURSUANT TO THIS SECTION,) must be reviewed pursuant to sections 115A.22 to 115A.30. No location shall be selected as a candidate site unless the agency certifies its intrinsic suitability for the use intended pursuant to subdivision 2a.

Sec. 17. Minnesota Statutes 1983 Supplement, section 115A.-21, is amended by adding a subdivision to read:

Subd. 1a. [VOLUNTEER CANDIDATE SITES.] The board may select candidate sites under this subdivision in addition to sites selected under subdivision 1. The board may submit a site to the agency if the site is proposed as a candidate site by a facility operator with the approval of the owners of the site and the statutory or home rule charter city or town and county in which the site is located. A location may be selected as a candidate site under this subdivision if the agency determines and certifies that the site is intrinsically suitable for the use intended. The director of the agency shall identify the information needed by the agency to make the determination of intrinsic suitability. The board shall obtain the necessary information and provide it to the director.

The director of the agency shall make a recommendation to the agency board on intrinsic suitability within 30 days after receiving the information from the board. The agency board shall make the determination on intrinsic suitability not later than the first regular meeting of the agency board held at least ten days after the director's recommendation.

The decisions of the board and the agency under this subdivision are not subject to the contested case or rulemaking provisions of chapter 14, or the procedures provided in subdivision 2a.

Sec. 18. Minnesota Statutes 1983 Supplement, section 115A.-22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] In order systematically to involve those who would be affected most directly by disposal facilities in all decisions leading to their establishment, the board's decisions on reports referred to in subdivision 7, the plan adopted under section 115A.11, and the (CERTIFICATION OF NEED) estimates and analysis required under section 115A.24 shall not be made until after the establishment of local project review committees for each candidate site, with representation on the board, pursuant to this section.

Sec. 19. Minnesota Statutes 1983 Supplement, section 115A.-22, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] Within 30 days following the appointment of a local project review committee, the local committee shall select a temporary board member to be added to the board for the purposes of the reports to be issued under section 115A.08, the plan to be adopted under section 115A.11, and the (NEED CERTIFICATIONS) *estimates, the analysis and the review of candidate sites* conducted under sections 115A.18 to 115A.30. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under sections 115A.201 and 115A.21. If a local committee fails to appoint a temporary board member within the time permitted by this subdivision, the governor shall appoint a temporary board member to represent the committee on the board. Temporary board members may be members of the local project review committee, and they shall be residents of the county where the candidate site is located. Temporary board members shall serve for terms lasting as long as the location the member represents is a candidate site or, in the case of members representing (THE) a site or sites finally chosen for the facility, until the commencement of the operation of the facility at that site.

Sec. 20. Minnesota Statutes 1982, section 115A.24, is amended to read:

115A.24 [(CERTIFICATION OF NEED) DISPOSAL FACILITIES; ESTIMATE OF NEED; ANALYSIS OF ECONOMIC FEASIBILITY.]

Subdivision 1. [(CERTIFICATE) ESTIMATE OF NEED FOR DISPOSAL FACILITIES.] (ON THE BASIS OF AND CONSISTENT WITH ITS HAZARDOUS WASTE MANAGEMENT PLAN ADOPTED UNDER SECTION 115A.11, THE BOARD SHALL ISSUE A CERTIFICATE OR CERTIFICATES OF NEED FOR DISPOSAL FACILITIES FOR HAZARDOUS WASTES IN THE STATE. THE CERTIFICATE OR CERTIFICATES SHALL INDICATE THE TYPES AND VOLUMES OF WASTE FOR WHICH DISPOSAL FACILITIES ARE AND WILL BE NEEDED THROUGH THE YEAR 2000 AND) *The board shall develop an estimate of the number, types, capacity, and function or use of (THE) any hazardous waste disposal facilities needed in the state. (BEFORE FINALLY ADOPTING THE CERTIFICATE OF NEED THE BOARD SHALL SUBMIT IT TO THE AGENCY FOR A REVISION OF THE HAZARDOUS WASTE POLLUTION CONTROL REPORT REQUIRED UNDER SECTION 115A.11, SUBDIVISION 2.)*

In developing its estimate the board shall:

(1) *prepare a preliminary estimate of the types and quantities of waste generated in the state for which disposal will be*

needed through the year 2000 based to the extent practical on data obtained from generators who are likely to use the facility;

(2) estimate the disposal capacity located outside of the state, taking into account the status of facility permits, current and planned capacity, and prospective restrictions on expansion of capacity;

(3) estimate the prospects for the continued availability of capacity outside of the state for disposal of waste generated in the state;

(4) estimate the types and quantities of waste likely to be generated as residuals of the commercial hazardous waste processing facilities recommended by the board for development in the state and for which disposal will be needed, taking into account the likely users of the facilities; and

(5) compare the indirect costs and benefits of developing disposal facilities in the state or relying on facilities outside the state to dispose of hazardous waste generated in the state, taking into account the effects on business, employment, economic development, public health and safety, the environment, and the development of collection and processing facilities and services in the state.

In preparing the estimate, the board (SHALL CERTIFY NEED) may identify need for disposal only to the extent that the board has determined that there are no feasible and prudent alternatives, including waste reduction, separation, pretreatment, processing, and resource recovery, which would minimize adverse impact upon air, water, land and all other natural resources (, PROVIDED THAT THE BOARD SHALL REQUIRE THE ESTABLISHMENT OF AT LEAST ONE COMMERCIAL DISPOSAL FACILITY IN THE STATE). Economic considerations alone (SHALL) may not justify (CERTIFICATION) an estimate of need for disposal nor the rejection of alternatives. Alternatives that are speculative and conjectural (SHALL) are not (BE DEEMED TO BE) feasible and prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. (THE CERTIFICATE OR CERTIFICATES SHALL NOT BE SUBJECT TO THE PROVISIONS OF CHAPTER 14 BUT SHALL BE THE FINAL DETERMINATION REQUIRED ON THE MATTERS DECIDED BY THE CERTIFICATE OR CERTIFICATES AND SHALL HAVE THE FORCE AND EFFECT OF LAW. THE CERTIFICATE OR CERTIFICATES SHALL NOT BE AMENDED FOR FIVE YEARS EXCEPT AS PROVIDED IN SECTION 115A.291. IN REVIEWING AND SELECTING SITES, COMPLETING AND DETERMINING THE ADEQUACY OF ENVIRONMENTAL IMPACT STATEMENTS, AND ISSUING APPROVALS AND PERMITS FOR

WASTE DISPOSAL FACILITIES DESCRIBED IN THE CERTIFICATE OR CERTIFICATES OF NEED, MATTERS DETERMINED IN THE CERTIFICATION SHALL NOT BE RECONSIDERED EXCEPT AS OTHERWISE PROVIDED IN SECTION 115A.291. THE BOARD AND THE PERMITTING AGENCIES SHALL BE REQUIRED TO MAKE A FINAL DECISION APPROVING THE ESTABLISHMENT OF FACILITIES CONSISTENT WITH THE CERTIFICATION EXCEPT AS OTHERWISE PROVIDED IN SECTION 115A.291.)

Subd. 3. [RADIOACTIVE WASTE.] The board's (CERTIFICATE) *estimate* of need shall not allow the use of a facility for disposal of radioactive waste, as defined by section 116C.71, subdivision 6.

Subd. 4. [ECONOMIC FEASIBILITY ANALYSIS.] *The board shall prepare an economic feasibility analysis for disposal facilities of the type, capacity and function or use estimated by the board to be needed in the state under subdivision 1. The analysis must be specific to the sites where the facilities are proposed to be located. The analysis must include at least the following elements:*

(1) *an estimate of the capital, operating, and other direct costs of the facilities and the fee schedules and user charges necessary to make the facilities economically viable;*

(2) *an assessment of the other costs of using the disposal facilities, such as transportation cost and disposal surcharges;*

(3) *an assessment of the market for the facility for waste generated in the state, that identifies the generators that would use the facility under existing and likely future market conditions, describes the methods otherwise available to those generators to manage their wastes and the costs of using those methods, and establishes the level at which the cost of using the proposed facilities would be competitive with the cost of using other available methods of waste management;*

(4) *an estimate of the subsidy, if any, needed to make the facility competitive for Minnesota generators under existing market conditions and the changes in market conditions that would increase or lower any subsidy.*

Sec. 21. Minnesota Statutes 1983 Supplement, section 115A.-241, is amended to read:

115A.241 [PARTICIPATION BY FACILITY DEVELOPERS AND OPERATORS.]

The board shall solicit the participation of private developers and operators of waste facilities in the evaluation of hazardous

waste disposal sites and facility specifications. (TO QUALIFY FOR CONSIDERATION AS A DEVELOPER OR OPERATOR, A PERSON SHALL SUBMIT A LETTER.) *The board shall request developers and operators to submit letters of intent to participate in evaluating sites, economic feasibility of disposal facilities, and facility specifications. The letters must be submitted to the board (WITHIN 90 DAYS FOLLOWING THE PUBLICATION OF THE BOARD'S DRAFT PLAN PURSUANT TO SECTION 115A.08, SUBDIVISION 4) by September 1, 1984.* To qualify for selection as a developer or operator, a person shall submit operability reports to the board at least 60 days before the board's hearings under section 115A.27, *and shall submit an amended report within 60 days following the decisions under section 115A.28.* The letters of intent and reports (SHALL) *must* be in the form and contain the information deemed appropriate by the board.

Sec. 22. Minnesota Statutes 1983 Supplement, section 115A.-25, subdivision 1, is amended to read:

Subdivision 1. [ENVIRONMENTAL IMPACT STATEMENT.] A phased environmental impact statement (SHALL) *must* be completed by the board and the agency *before any permits are issued under section 115A.291.* The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section and sections 115A.11 (, 115A.24), 115A.28, and 115A.30. The board and agency shall follow the procedures in subdivisions 2 and 3 in lieu of the scoping requirements of chapter 116D and rules issued pursuant thereto. The statement (SHALL) *must* be completed in two phases as provided in subdivisions 1a and 1b.

Sec. 23. Minnesota Statutes 1983 Supplement, section 115A.-25, subdivision 1a, is amended to read:

Subd. 1a. [PHASE I.] Phase I of the statement (SHALL) *must* be completed by the board on the environmental effects of the (BOARD'S DECISION ON SITES AND FACILITY SPECIFICATIONS) *decisions that the board is required to make* under section 115A.28. Phase I of the statement (SHALL) *must* not address or reconsider (ALTERNATIVE SITES OR FACILITY NUMBERS, TYPES, CAPACITY, FUNCTION, AND USE WHICH) *alternatives that have been eliminated from consideration by the board's decisions under sections 115A.201 and 115A.-21 (AND 115A.24).* The determination of the adequacy of phase I of the statement is exclusively the authority of the board. The governor shall establish an interagency advisory group to comment on the scope of phase I of the statement, to review drafts, and to provide technical assistance in the preparation and review of phase I of the statement. The advisory group (SHALL) *must* include representatives of the agency, the departments of natural resources, health, agriculture, energy, planning and development,

and transportation, and the Minnesota geological survey. In order to obtain the staff assistance necessary to prepare the statement, the chairperson of the board may request reassignment of personnel pursuant to section 16.21 and may arrange to have other agencies prepare parts of the statement pursuant to section 16.135.

Sec. 24. Minnesota Statutes 1983 Supplement, section 115A.-25, subdivision 1b, is amended to read:

Subd. 1b. [PHASE II.] Phase II of the statement (SHALL) *must* be completed by the agency as a supplement to phase I specifically for the purpose of examining the environmental effects of (THE) *any* permitting decisions *that may be* required to be made by the permitting agencies under section 115A.291. In preparing, reviewing, and determining the adequacy of phase II of the statement, the agency shall not repeat or duplicate the research and analysis contained in phase I of the statement, unless the agency determines that the information available is not adequate or that additional information is necessary to examine the environmental effects of the permitting decisions. Phase II of the statement (SHALL) *may* not address or reconsider (ALTERNATIVE SITES AND FACILITY NUMBERS, TYPES, CAPACITY, FUNCTION, AND USE WHICH) *alternatives that* have been eliminated from consideration by the board's decisions under sections 115A.201, 115A.21, (115A.24,) and 115A.28. The determination of adequacy of phase II of the statement must be made by the agency within 180 days following submission of the preliminary permit application or applications under section 115A.291. The determination of the adequacy of phase II of the statement is exclusively the authority of the agency.

Sec. 25. Minnesota Statutes 1983 Supplement, section 115A.-26, is amended to read:

115A.26 [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.]

Within 30 days following the board's determination of the adequacy of phase I of the environmental impact statement, and after consulting with the board, facility developers, affected local government units, and the local project review committees, the chief executive officer of each permitting state agency shall issue to the board draft reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits, including the types and categories of waste eligible for disposal with or without pretreatment, and the probable supplementary documentation that will be required for phase II of the environmental impact statement under section 115A.25 and for permit

applications under section 115A.291. The reports may be revised following the hearings under section 115A.27 as the chief executive officer deems necessary. (THE REPORTS MUST BE CONSISTENT WITH THE ESTABLISHMENT OF FACILITIES IN ACCORDANCE WITH THE CERTIFICATION OF NEED.)

Sec. 26. Minnesota Statutes 1983 Supplement, section 115A.-27, subdivision 2, is amended to read:

Subd. 2. [BOARD HEARINGS.] Within 120 days following the board's determination of the adequacy of phase I of the environmental impact statement under section 115A.25, the board shall conduct a hearing in each county containing a candidate site, for the purpose of receiving testimony on the decisions required under section 115A.28. The hearings (SHALL) *must* be ordered by the chairperson of the board. The subject of the board hearing (SHALL) *may* not extend to matters previously decided in the board's decision on sites under (SECTION) *sections 115A.201 and 115A.21 (AND THE CERTIFICATE OF NEED ISSUED UNDER SECTION 115A.24). The record of the hearings must include the estimate of need for disposal facilities and the economic feasibility analysis prepared under section 115A.24, the phase I environmental impact statement, and the reports on permit conditions issued under section 115A.26.* The hearing (SHALL) *must* be conducted for the board by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed. The proceedings and the hearing procedures are not subject to the rule-making or contested case provisions of chapter 14. The hearing officer (SHALL) *may* not issue a report but shall preside at the hearings to ensure that the hearings are conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall be present at the hearing.

Sec. 27. Minnesota Statutes 1983 Supplement, section 115A.28, subdivision 1, is amended to read:

Subdivision 1. [DECISION OF BOARD.] Within 60 days following the conclusion of the hearings under section 115A.27, subdivision 2, and after consulting with private facility developers, the permitting agencies, affected local government units, and the local project review committees, *if the board decides that a disposal facility not be developed in the state, it shall dismiss the candidate sites from further consideration. If the board determines that a disposal facility should be developed and the board shall (FINALLY) select (THE) a site or sites (FOR THE FACILITIES AND THE DEVELOPER AND OPERATOR OF THE FACILITY AND SHALL PRESCRIBE FURTHER SPECIFICATIONS ON) and specify the number, type, capacity, function, and use of (THE) any facilities (AS*

THE BOARD DEEMS APPROPRIATE, CONSISTENT WITH THE BOARD'S CERTIFICATION OF NEED ISSUED UNDER SECTION 115A.24) *to be established under sections 115A.18 to 115A.30. Sites that are not selected by the board cease to be candidate sites.* If the chairperson of the board determines that an agency report on permit conditions and application requirements has been substantially revised following hearings held pursuant to section 115A.27, subdivision 2, the chairperson may delay the decision for 30 days and may order a public hearing to receive further testimony on the sites and facilities to be established. The proceeding (SHALL) *must* be conducted as provided in section 115A.27, subdivision 2, except that hearings shall not be separately held in the affected counties and the issues relating to all agency reports (SHALL) *must* be considered at one hearing. (THE BOARD'S DECISION SHALL PROVIDE FOR THE ESTABLISHMENT OF FACILITIES CONSISTENT WITH THE BOARD'S CERTIFICATION OF NEED.)

The board may not make any final decision under this subdivision until the board:

(1) *determines the current status of and future prospects for the final development of commercial hazardous waste processing facilities in the state based on the responses to the board's requests for proposals, the results of the board's processing facility development grant and loan programs, and any applications which have been filed for processing facility operation permits; and*

(2) *adjusts the estimate of need prepared under section 115A.24 to reflect the types and quantities of hazardous waste likely to be generated as residuals of processing facilities based on the board's determination under clause (1).*

Sec. 28. Minnesota Statutes 1983 Supplement, section 115A.-291, is amended to read:

115A.291 [PERMITS.]

Research and analysis necessary to the permit applications and permit decisions required under this chapter, and the supporting environmental study, must commence immediately following the board's decision (UNDER SECTION 115A.28) *to apply for permits under this section.* Within 180 days following its (FINAL DECISION) decisions under section 115A.28, the board shall *conclude its analysis of the financial requirements for the facility and shall decide whether to submit, or cause to be submitted by a developer and operator selected by the board,* a preliminary application for permits for a facility or facilities consistent with its decision under section 115A.28. Following

review by the permitting agencies and within 60 days following the agency's determination of the adequacy of phase II of the environmental impact statement, the board shall revise the application, or cause it to be revised, in accordance with the recommendations of the permitting agencies. In preparing its revised permit application, the board may amend its (CERTIFICATION OF NEED ISSUED UNDER SECTION 115A.24 OR ITS) facility specifications under section 115A.28, if the board finds and determines, based upon the recommendations of the permitting agencies, that: (a) the amendments are necessary to secure permits for the construction and operation of the proposed facility at the proposed site, and (b) the recommendations and amendments are the result of new information or rules produced after the board's decisions under (SECTIONS 115A.24 AND) section 115A.28. Within 210 days following the submission of the revised permit application, the permitting agencies shall issue the necessary permits unless the pollution control agency determines that the facility or facilities proposed for permitting present environmental problems which cannot be addressed through the imposition of permit conditions. *The permits may not allow the use of the facility for disposal of radioactive waste, as defined by section 116C.71, subdivision 6.*

Sec. 29. Minnesota Statutes 1982, section 115A.46, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Plans shall address the state policies and purposes expressed in section 115A.02. Plans for the location, establishment, operation, maintenance, and post-closure use of facilities and facility sites, for ordinances, and for licensing, permit, and enforcement activities shall be consistent with the rules adopted by the agency pursuant to chapter 116. Plans shall address the resolution of conflicting, duplicative, or overlapping local management efforts. Plans shall address the establishment of joint powers management programs or waste management districts where appropriate. Plans proposing a designation of resource recovery facilities pursuant to sections 115A.70 and 400.162 shall be submitted to the waste management board for review and approval or disapproval. The review shall be based on whether the plans conform to the requirements of this section. The board may require revision of a plan as a condition of its approval. Plans shall address other matters as the rules of the agency may require consistent with the purposes of sections 115A.42 to 115A.46. Political subdivisions preparing plans under sections 115A.42 to 115A.46 shall consult with persons presently providing solid waste collection, processing, and disposal services. Plans (PREPARED BY LOCAL UNITS OF GOVERNMENT IN THE METROPOLITAN AREA SHALL CONFORM TO THE REQUIREMENTS OF CHAPTER 473) *shall be approved by the agency, or the metropolitan council pursuant to section 473.803. After initial approval, each plan shall be updated every five years and revised as necessary for further approval.*

Sec. 30. Minnesota Statutes 1982, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. (THE PLANS SHALL CONTAIN AN ASSESSMENT OF OPPORTUNITIES TO REDUCE THE NEED FOR LAND DISPOSAL THROUGH WASTE REDUCTION AND RESOURCE RECOVERY, THE ALTERNATIVE DEGREES OF REDUCTION ACHIEVABLE, AND) *The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery, and shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of (ALTERNATIVES) the activities to be undertaken, including capital and operating costs, and the effects of the (ALTERNATIVES) activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished.* The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 31. Minnesota Statutes 1982, section 115A.70, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY.] A waste management district possessing designation authority in its articles of incorporation may be authorized to designate a resource recovery facility under sections 32 to 41.

Sec. 32. [115A.80] [DESIGNATION OF RESOURCE RECOVERY FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary pursuant to sections 32 to 41 to authorize a qualifying solid waste management district or county to designate a resource recovery facility.

Sec. 33. [115A.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 32 to 41 have the meanings given them in this section.

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the solid waste that is generated within its boundaries or any service area thereof and is deposited within the state be delivered to a resource recovery facility identified by the district or county.

Sec. 34. [115A.82] [ELIGIBILITY.]

Facilities may be designated under sections 32 to 41 by (1) a solid waste management district established pursuant to sections 115A.62 to 115A.72 and possessing designation authority in its articles of incorporation; or (2) a county, but only for waste generated outside of the boundaries of a district qualifying under clause (1) or the Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended.

Sec. 35. [115A.83] [EXEMPTION.]

The designation may not apply to or include: (1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; and (2) materials that are processed at another resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority.

Sec. 36. [115A.84] [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 37, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. The comprehensive or master plan must include a plan for designation approved under this section.

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate (1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and (2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available; and

(5) other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators.

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 90 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2.

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] When it approves the designation plan, the reviewing authority

may exclude from the designation materials that the reviewing authority determines will be processed at another resource recovery facility if:

(1) the other resource recovery facility is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and

(2) the other facility has or will have contracts for purchases of its product; and

(3) the materials are or will be under contract for delivery to the other facility at the time the other facility is completed.

In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the other resource recovery facility shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources, purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than the date when the county or district submits its designation plan for approval.

The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under section 38 if in its judgment the excluded materials will not be processed at the other facility.

Sec. 37. [115A.85] [PROCEDURE.]

Subdivision 1. [REQUIREMENT.] A district or county with an approved designation plan shall proceed as provided in this section when designating facilities. A district need not repeat the designation procedures in this section to the extent that the procedures have been completed by each county having territory in the district or by a joint powers board composed of each county having territory in the district.

Subd. 2. [HEARING.] The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing and must be mailed to political subdivisions, landfill operators, and licensed solid waste collectors who may be expected to use the facility. The notification must: (1) describe the area in which the designation will apply and the plans for the use of the solid waste; (2) specify the point or points of delivery of the solid waste; (3) estimate the types and quantities of solid waste subject to the designation;

and (4) estimate the fee to be charged for the use of the facilities and for any products of the facilities. A designation or contract for use is not invalid by reason of the failure of the district or county to provide written notice to an entity listed in this subdivision.

Subd. 3. [NEGOTIATED CONTRACTS FOR USE.] During a period of 90 days following the hearing, the district or county shall negotiate with the persons entitled to written notice under subdivision 2 for the purpose of developing contractual agreements that will require use of the facilities proposed to be designated.

Subd. 4 [DESIGNATION DECISION.] At the end of the 90-day contract negotiation period the district or county may proceed to secure approval for and implement the designation as provided in section 38.

Sec. 38. [115A.86] [IMPLEMENTATION OF DESIGNATION.]

Subdivision 1. [DESIGNATION ORDINANCE.] (a) The district or county shall prepare a designation ordinance to implement a designation. The designation ordinance must: (1) define the geographic area and the types and quantities of solid waste subject to designation; (2) specify the point or points of delivery of the solid waste; (3) require that the designated solid waste be delivered to the specified point or points of delivery; (4) set out the procedures and principles to be followed by the county or district in establishing and amending any rates and charges at the designated facility; and (5) state any additional regulations governing waste collectors or other matters necessary to implement the designation.

(b) The designation ordinance must provide an exception for: (1) materials that are exempt or excluded from the designation under section 35 or 36, subdivision 4; and (2) materials otherwise subject to the designation for which negotiated contractual arrangements exist that will require and effect the delivery of the waste to the facility for the term of the contract.

Subd. 2. [APPROVAL.] A district or county whose designation applies wholly within the metropolitan area defined in section 473.121 shall submit the designation ordinance, together with any negotiated contracts assuring the delivery of solid waste, to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation ordinance, together with any negotiated contracts assuring the delivery of solid waste, to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 90 days following submission of the designation for review. The review-

ing authority shall approve the designation if it determines that the designation procedure specified in section 37 was followed and that the designation is based on a plan approved under section 36. The reviewing authority may attach conditions to its approval.

Subd. 3. [IMPLEMENTATION.] The designation may be placed into effect no less than 60 days following the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance. If the designation is not placed into effect within three years of approval, the designation must be resubmitted to the reviewing authority for approval or disapproval under subdivision 2.

Subd. 4. [EFFECT.] The designation is binding on all political subdivisions, landfill operators, solid waste generators, and solid waste collectors in the designation area.

Subd. 5. [AMENDMENTS.] Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing authority does not act within 90 days, the amendment is approved.

Sec. 39. [115A.87] [JUDICIAL REVIEW.]

An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

Sec. 40. [115A.88] [SERVICE GUARANTEE.]

The district or county may not arbitrarily terminate, suspend, or curtail services provided to any person required by contract or designation ordinance to use designated facilities without the consent of the person or without just cause.

Sec. 41. [115A.89] [SUPERVISION OF IMPLEMENTATION.]

The reviewing authority shall: (1) require regular reports on the implementation of each designation; (2) periodically evaluate whether each designation as implemented has accomplished its purposes and whether the designation is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02; and (3) report periodically to the legislature on its conclusions and recommendations.

Sec. 42. [115A.91] [CITATION.]

Sections 43 to 49 may be cited as the "Landfill Abatement Act."

Sec. 43. [115A.92] [SOLID WASTE LANDFILL FEE.]

Subdivision 1. [DEFINITIONS.] The definitions provided in this subdivision apply to sections 43 to 49.

(a) "Commissioner" means the commissioner of revenue.

(b) "Market development" means the location and facilitation of economic markets for materials, substances, energy, or other products contained within or derived from waste.

(c) "Mixed municipal solid waste disposal facility" means real or personal property which is used for the land disposal of mixed municipal solid waste in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

(d) "Operator" means:

(1) in the case of a mixed municipal solid waste disposal facility with an agency permit, the permittee; or

(2) in the case of a mixed municipal solid waste disposal facility without an agency permit, the person in control of the facility.

(e) "Response" has the meaning given it in section 115B.02, subdivision 18.

(f) "Solid waste disposal facility" means real or personal property which is used for the land disposal of solid waste.

Subd. 2. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility shall pay a fee on solid waste accepted and land disposed at the facility as follows:

(a) A facility that weighs the waste which it accepts shall pay a fee of 50 cents per cubic yard based on equivalent cubic yards of waste accepted by the facility and collected at the entrance.

(b) A facility that does not weigh the waste which it accepts but that measures the volume of the waste collected at the entrance shall pay a fee of 50 cents per cubic yard of waste accepted.

(c) A facility that does not measure the weight or volume of waste accepted shall pay a fee based on equivalent cubic yards

accepted by the facility as determined by the agency. An operator who wishes to challenge the determination of the agency shall notify the agency of his intention and shall provide written evidence to the agency to support his challenge. The agency shall hold a single contested case hearing as necessary to determine any and all challenges to its determination under this subdivision. The decision of the agency shall be rendered not later than 60 days after the hearing.

Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner.

Subd. 4. [EXCHANGE OF INFORMATION.] Notwithstanding the provisions of section 116.075, the pollution control agency may provide the commissioner of revenue with the information necessary for the enforcement of this section. Information disclosed in a return filed under this section is public information. Information exchanged between the commissioner and the agency is public unless the information is of the type determined to be for the confidential use of the agency under section 116.075 or is trade secret information classified under section 13.37. Information obtained in the course of an audit by the department of revenue shall be private or nonpublic data to the extent that it would not be directly divulged in a return.

Subd. 5. [PENALTIES; ENFORCEMENT.] The audit, penalty, and enforcement provisions applicable to taxes imposed under chapter 290 apply to the fees imposed under this section and shall be administered by the commissioner.

Subd. 6. [RULES.] The commissioner may adopt rules necessary to implement the provisions of this section.

Subd. 7. [ADMINISTRATIVE EXPENSES.] Any amount expended by the commissioner from a general fund appropriation to enforce and administer this section shall be reimbursed to the general fund and the amount necessary to make the reimbursement is appropriated from the landfill abatement fund to the commissioner of finance for transfer to the general fund.

Subd. 8. [DISPOSITION OF PROCEEDS.] The proceeds of the fees imposed under this section including interest and penalties shall be deposited as follows:

(a) one-half of the proceeds shall be deposited in the landfill abatement fund established in section 44; and

(b) one-half of the proceeds shall be deposited in the landfill contingency action fund established in section 45.

Sec. 44. [115A.93] [LANDFILL ABATEMENT FUND.]

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The landfill abatement fund is created as an account in the state treasury in order to reduce to the greatest extent feasible and prudent the need for and practice of land disposal of mixed municipal solid waste. The fund shall consist of revenue deposited in the fund under section 43, subdivision 8, clause (a) and interest earned on investment of money in the fund. All repayments to loans made under this section shall be credited to the landfill abatement fund. Subject to appropriation by the legislature, the money in the fund may be spent only for the following purposes:

(1) solid waste management planning assistance under sections 115A.42 to 115A.46;

(2) grants and loans to any person for resource recovery projects and related public education under subdivision 3;

(3) grants and loans to any person for market development for reusable or recyclable waste materials; and

(4) administration and technical assistance by the metropolitan council as described in subdivision 2, clause (b).

Subd. 2. [ALLOCATION.] (a) Up to ten percent of the money in the fund may be appropriated for grants under subdivision 1, clause (3).

(b) Up to five percent of the money in the fund may be appropriated to the metropolitan council for technical assistance and grant administration.

Subd. 3. [RESOURCE RECOVERY PROJECTS.] Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, and capital improvements. Grants and loans under this subdivision for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants for public education may be made on the need for resource recovery projects. Grants for planning may not exceed 50 percent of the planning costs. No grant or loan shall be made until the metropolitan council has determined the total estimated capital cost of the project and ascertained that full financing of the project is assured. The grant and loan program under this section shall be administered by the metropolitan council. Except for those issued under subdivision 1, clauses (1), (3), and (4), grants and loans made to cities, counties, or solid waste management districts

shall be made only in conformance with an approved solid waste plan pursuant to section 29.

Sec. 45. [115A.94] [LANDFILL CONTINGENCY ACTION FUND.]

Subdivision 1. [ESTABLISHMENT.] The landfill contingency action fund is created as an account in the state treasury. The fund consists of revenue deposited in the fund under section 43, subdivision 8, clause (b); amounts recovered under section 43, subdivision 5; and interest earned on investment of money in the fund.

Subd. 2. [CLOSURE AND POSTCLOSURE, RESPONSE PAYMENTS.] *Money in the fund may be spent for:*

(1) reasonable and necessary expenses for closure and post-closure costs with respect to a mixed municipal solid waste disposal facility for a 20-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested; or

(2) reasonable and necessary response and postclosure costs at a mixed municipal solid waste disposal facility that has been closed for 20 years in compliance with the closure and post-closure rules of the agency.

Subd. 3. [DUTY TO PROVIDE INFORMATION.] *The operator or owner of a mixed municipal solid waste disposal facility or a solid waste disposal facility shall provide the necessary information to the agency required by this act or by agency rules under this act.*

Subd. 4. [ACCESS TO INFORMATION AND PROPERTY.] *The agency or any member, employee, or agent thereof authorized by the agency, upon presentation of credentials, may:*

(1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the agency under this act; and

(2) enter upon any property, public or private, for the purpose of taking any action authorized by this section including obtaining information from any person who has a duty to provide the information, conducting surveys or investigations, and taking response action.

Subd. 5. [RECOVERY OF EXPENSES.] *When the agency incurs response expenses at a facility, the agency is subrogated*

to any right of action which the operator or owner of the facility may have against any other person for the recovery of the expenses. The attorney general may bring an action to recover amounts spent by the agency under this section from persons who may be liable for them. Amounts recovered, including money paid under any agreement, stipulation, or settlement shall be deposited in the landfill contingency action fund.

Subd. 6. [CIVIL PENALTIES.] The civil penalties of section 115.071 shall apply to anyone in violation of this section or the closure, postclosure, and financial responsibility rules under section 51. Any civil fines recovered shall be credited to the landfill contingency action fund. Civil fines recovered under other solid waste enforcement actions of the agency shall also be credited to the landfill contingency action fund.

Sec. 46. [115A.95] [OPERATOR OR OWNER LIABILITY FOR RESPONSE EXPENSES.]

The operator or owner of a mixed municipal solid waste disposal facility is not liable under any other law for response expenses taken by the agency at that facility, if the facility has been closed for 20 years in compliance with the closure and postclosure rules of the agency. Any provision of this section which relieves the operator or owner of a facility from liability for the payment of the agency's response expenses shall not be construed to affect the liability of any other person who may be liable for those expenses.

Sec. 47. [115A.96] [COUNTY FEE AUTHORITY.]

Counties may charge an additional fee to operators of mixed municipal solid waste disposal facilities within the county who are subject to section 43, subdivision 2, up to 25 cents per cubic yard.

The proceeds of the fees shall go to the county general fund and are to be used for landfill abatement purposes or response actions.

Sec. 48. [115A.97] [AGENCY ASSISTANCE.]

The agency shall cooperate and provide technical assistance to the fullest extent possible to any county required to meet agency rules and standards.

Sec. 49. [115A.98] [ORGANIZED COLLECTION STUDY.]

The metropolitan council shall study the need for a system to implement organized collection of residential, commercial, and industrial solid wastes in the metropolitan area. The council

shall submit the study to the legislative commission on waste management by June 1, 1985.

Sec. 50. Minnesota Statutes 1983 Supplement, section 115B.-22, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED; EXCLUSIONS.] Each generator of hazardous waste shall pay the taxes imposed by this section based upon the volume and destination of the hazardous wastes generated. The taxes imposed by this section do not apply to hazardous wastes destined for recycling or reuse including waste accumulated, stored, or physically, chemically, or biologically treated before recycling or reuse, to used crank-case oil, to hazardous waste which is generated as a result of any response action, or to hazardous waste which meets applicable pretreatment standards or compliance schedules and is discharged to a public sewage treatment works, or to hazardous waste that is generated as residue from a hazardous waste incineration facility that treats waste subject to taxation under subdivision 5.

Sec. 51. Minnesota Statutes 1982, section 116.07, is amended by adding subdivisions to read:

Subd. 4e. [CLOSURE AND POSTCLOSURE RULES.] *The agency shall adopt rules establishing requirements for the closure of solid waste disposal facilities and for the postclosure care of closed facilities. The rules shall apply to all solid waste disposal facilities in operation at the time the rules are effective. Compliance with the rules shall be a condition of obtaining or retaining a permit to operate the facility. The rules shall provide standards and procedures for closing disposal facilities and for the care, maintenance, and monitoring of the facilities after closure that will prevent, mitigate, or minimize the threat to public health and the environment posed by closed disposal facilities.*

Subd. 4f. [FINANCIAL RESPONSIBILITY RULES.] *The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility shall be required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules, proof of financial responsibility shall be required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules shall be a condition of obtaining or retaining a permit to operate the facility.*

Sec. 52. [116E.05] [PUBLIC EDUCATION.]

The Minnesota environmental education board shall develop and disseminate curriculum materials for youth and adult education on the subject of waste management.

Sec. 53. Minnesota Statutes 1982, section 116J.88, is amended by adding a subdivision to read:

Subd. 8a. [HAZARDOUS WASTE PROCESSING FACILITY LOAN.] *"Hazardous waste processing facility loan" means a loan for the acquisition, construction, or improvement of real and personal property to be used for the collection or processing of hazardous waste as those terms are defined in section 115A.03, subdivisions 5, 13, and 25.*

Sec. 54. Minnesota Statutes 1983 Supplement, section 116J.90, is amended by adding a subdivision to read:

Subd. 4a. [HAZARDOUS WASTE PROCESSING FACILITY LOANS.] *The authority may make, purchase, or participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefore. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the authority. The authority shall forward the applications to the waste management board for review pursuant to section 13. If the waste management board does not certify the application, the authority may not approve the application nor make the loan. If the waste management board certifies the application, the authority shall approve the application and make the loan if funds are available for it and if the authority finds that:*

(1) *development and operation of the facility as proposed by the applicant is economically feasible;*

(2) *there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and*

(3) *the facility is unlikely to be developed and operated without a loan from the authority.*

The authority and the waste management board shall establish coordinated procedures for loan application, certification, and approval.

The authority may use the economic development fund to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the authority, and for this purpose may exercise the powers granted in section 116J.89,

subdivision 1a, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.

The authority may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans. This amount is in addition to any other authority to issue bonds and notes under chapter 116J.

The authority may adopt temporary rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Temporary rules adopted by the authority remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 55. Minnesota Statutes 1982, section 400.04, is amended by adding a subdivision to read:

Subd. 2a. [RIGHT OF ENTRY.] A county or authorized agent of the county may enter during normal business hours on public or private property to obtain information or conduct surveys or investigations to accomplish the purposes of the county under chapter 400 if reasonable notice is given and compensation is made for any damage to the property caused by the entrance and activity.

Sec. 56. Minnesota Statutes 1982, section 400.04, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION, CONSTRUCTION AND OPERATION OF PROPERTY AND FACILITIES.] Notwithstanding any other law, a county may acquire, construct, enlarge, improve, repair, supervise, control, maintain, and operate (ANY AND ALL) solid waste facilities and other property and facilities needed, used, or useful for solid waste management purposes, and may purchase and lease materials, equipment, machinery and (SUCH) other personal property (AS IS) necessary for (SUCH) the purposes upon terms and conditions determined by the board, with or without advertisement for bids, including the use of conditional sales contracts and lease-purchase agreements. A county may employ (SUCH) the personnel (AS ARE) reasonably necessary for the care, maintenance and operation of (SUCH) the property and facilities. A county shall contract with private persons for the construction, maintenance, and operation of solid waste facilities where the facilities are adequate and available for use and competitive with other means of providing the same service.

Sec. 57. Minnesota Statutes 1982, section 400.162, is amended to read:

400.162 [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITY.]

(THE AUTHORITY GRANTED TO COUNTIES BY THIS SECTION SHALL NOT APPLY WITHIN THE WESTERN LAKE SUPERIOR SANITARY DISTRICT ESTABLISHED BY LAWS 1971, CHAPTER 478, AS AMENDED, NOR WITHIN ANY SOLID WASTE MANAGEMENT DISTRICT ESTABLISHED UNDER SECTIONS 115A.62 TO 115A.72. IN ORDER TO ACCOMPLISH THE OBJECTIVES OF COUNTY WASTE MANAGEMENT, TO FURTHER THE STATE POLICIES AND PURPOSES EXPRESSED IN SECTION 115A.02, AND TO ADVANCE THE PUBLIC PURPOSES SERVED BY RESOURCE RECOVERY, THE LEGISLATURE FINDS AND DECLARES THAT IT MAY BE NECESSARY TO AUTHORIZE A COUNTY TO REQUIRE THAT ALL OR ANY PORTION OF THE SOLID WASTE THAT IS GENERATED WITHIN THE BOUNDARIES OF THE COUNTY OR ANY SERVICE AREA THEREOF AND IS DISPOSED OF IN THE STATE BE DELIVERED TO A RESOURCE RECOVERY FACILITY DESIGNATED BY THE COUNTY BOARD OR A TRANSFER STATION SERVING SUCH A FACILITY. ANY COUNTY DESIGNATION SHALL BE BASED UPON A PLAN PREPARED AND APPROVED IN CONFORMANCE WITH SECTION 115A.46 AND SHALL BE SUBMITTED PURSUANT TO SECTION 115A.071 FOR REVIEW AND APPROVAL OR DISAPPROVAL BY THE WASTE MANAGEMENT BOARD. IN ESTABLISHING, CONTINUING, AND TERMINATING THE DESIGNATION, THE COUNTY SHALL BE GOVERNED BY ALL STANDARDS, EXEMPTIONS, PROCEDURES, AND OTHER REQUIREMENTS PROVIDED IN SECTION 115A.70, SUBDIVISIONS 2 TO 6) *A qualifying county may be authorized to designate a resource recovery facility under sections 32 to 41.*

Sec. 58. Minnesota Statutes 1983 Supplement, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, (1984) 1985, after considering any county land disposal abatement proposals and waste stream analysis that have been submitted by that date, pursuant to section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating (THE) to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, either by type of waste or class of generator. The objectives must be stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The plan (SHALL) must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated

in annual increments through the year 1990 and thereafter in five year increments through the year 2000. (THE OBJECTIVES IN) The plan (SHALL BE BASED UPON STANDARDS) *must include measurable objectives for (COUNTY) local abatement of solid waste through resource recovery and waste reduction and separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five year increments through the year 2000. The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan (SHALL) must include standards and procedures to be used by the council in determining (THAT) whether a metropolitan (COUNTIES HAVE NOT) county or class of cities within a metropolitan county has implemented the council's metropolitan land disposal abatement plan and (HAVE NOT MET) has achieved the (STANDARDS) objectives for (COUNTY) local abatement (PROGRAMS AND ACTIVITIES).* The council shall report on abatement to the legislative commission (ON ITS) before January 1 of each year. The report must include an assessment of whether the objectives of the metropolitan abatement plan (AND ON) have been met and whether each county and each class of city within each county has achieved the objectives set for it in the council's plan. The report must recommend any legislation that may be required to implement the plan. If in any year the council reports that the objectives of the council's abatement plan have not been met, the council shall attach legislation to the report that reassigns appropriate governmental responsibilities among cities, counties, and metropolitan agencies so as to assure implementation and achievement of the metropolitan and local abatement plans and objectives.

Sec. 59. Minnesota Statutes 1983 Supplement, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, (1984) 1985, after requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number (AND CAPACITY) of sites and the capacity of sites to be acquired within each metropolitan county for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule (FOR DEVELOPMENT) of disposal (FACILITIES BY) capacity to be developed in each county through the year 2000. The schedule (SHALL BE BASED UPON) *may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan, except as the council deems necessary to allow reallocation of capacity as required by this subdivision.* The council (MAY) shall make the implementation of elements of the schedule, including the disposal capacity allocated to each county, contingent on actions of (THE COUNTIES) each county and class of city in

that county in adopting and implementing (COUNTY) abatement plans pursuant to section 473.803, subdivision 1b (; AND). The council shall review the development schedule (AT LEAST) every (TWO YEARS) year and shall revise the development schedule (AS IT DEEMS APPROPRIATE) and the allocation of disposal capacity required for each county based on the progress made in (THE ADOPTION AND) that county in the implementation of the (COUNCIL AND COUNTY) council's abatement plans and achievement of metropolitan and local abatement objectives. The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule (SHALL) must include standards and procedures for council certification of need pursuant to section 473.823. The schedule (SHALL) must include a facility closure schedule and plans for post-closure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule (SHALL) must also include a closure schedule and plans for post-closure management for facilities in existence before the adoption of the development schedule.

Sec. 60. Minnesota Statutes 1982, section 473.181, subdivision 4, is amended to read:

Subd. 4. [SOLID WASTE.] The council shall review (COUNTY) solid waste (REPORTS, AND SOLID WASTE FACILITY PERMIT APPLICATIONS PURSUANT TO SECTIONS 473.803 AND 473.823) *management activities of local government units as provided in sections 473.801 to 473.834 and 32 to 41.*

Sec. 61. Minnesota Statutes 1983 Supplement, section 473.803, subdivision 1a, is amended to read:

Subd. 1a. [PROPOSED INVENTORY OF DISPOSAL SITES.] By October 15, 1981, each (COUNTY) *metropolitan county having a population of less than 300,000, as determined by the 1980 United States Census, shall adopt, by resolution of its governing body, an inventory of (FOUR) at least three proposed sites in the county suitable for mixed municipal solid waste disposal facilities and shall submit the inventory to the council for approval or disapproval. The council shall evaluate and approve or disapprove each proposed site in accordance with the standards set out in this subdivision. Each metropolitan county having a population greater than 300,000, as determined by the 1980 United States Census, shall adopt, by resolution of its governing body, an inventory of at least four proposed sites in the county that are suitable for mixed municipal solid waste disposal facilities and shall submit the inventory to the council for approval or disapproval. Except as otherwise provided in this subdivision, each site shall satisfy the standards and criteria in*

federal and state regulations and the council's policy plan for solid waste management. In proposing and approving sites for the inventory, the counties and the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility. Each site shall contain no less than 80 acres and no more than 250 acres. Each proposed site shall be surrounded by a buffer area at least equal to the area of the site. No site shall be adopted by a county or the council as part of an inventory unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on site surveys and investigations conducted by the county. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of any state agency or political subdivision, no land shall be excluded from consideration for inclusion in the inventory except land determined by the agency to be intrinsically unsuitable. Each county shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed for the inventory as soon as available. By July 1, 1981 each county shall propose at least the number of sites required for the inventory, and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. Notice of hearings on the director's recommendation shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to the metropolitan council and local government units containing a proposed inventory site. A hearing shall be held in each metropolitan county and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the county and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly within 90 days of the county's proposal of a site. The agency shall not be required to promulgate rules pursuant to chapter 15 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. The council shall evaluate each site with respect to local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities and other services and facilities appropriate to land disposal facilities, the quality of other potential sites, and patterns of gen-

eration of solid waste. The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of sites in that county. If in the council's judgment a county does not contain the requisite number of satisfactory sites, the council may reduce the number of sites required of that county.

Sec. 62. Minnesota Statutes 1983 Supplement, section 473.803, subdivision 1b, is amended to read:

Subd. 1b. [LAND DISPOSAL ABATEMENT.] By April 1, 1982, after considering the council's disposal abatement report submitted to the counties pursuant to section 473.149, subdivision 2a, each county shall submit to the council a proposal to reduce to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste. The proposal (SHALL) *must* address at least waste reduction, separation, and resource recovery. The proposal (SHALL) *must* include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste generated within the county. The proposal (SHALL) *must* describe specific functions to be performed and activities to be undertaken by the county and cities and towns within the county to achieve the objectives and (SHALL) *must* describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The proposal (SHALL) *must* include alternatives which could be used to achieve the objectives if the proposed functions and activities are not established. *By August 1, 1984, each county shall provide the council with an analysis of the solid waste generated in the county, by classification of generators and by composition.* Each county shall revise its master plan to include a land disposal abatement element to implement the council's land disposal abatement plan adopted under section 473.149, subdivision 2d, and shall submit the revised plan to the council for review under subdivision 2 within nine months after the adoption of the council's metropolitan abatement plan. *The county plan must embody and be consistent with at least the local abatement objectives for the county and cities within the county as stated in the council's plan.* The (PROPOSAL AND) master plan revision required by this subdivision (SHALL) *must* be prepared in consultation with (CITIES AND TOWNS WITHIN THE COUNTY, PARTICULARLY THE CITIES AND TOWNS IN WHICH A SOLID WASTE DISPOSAL FACILITY IS OR MAY BE LOCATED PURSUANT TO THE COUNTY MASTER PLAN) *the advisory committee established pursuant to subdivision 4.*

Sec. 63. Minnesota Statutes 1982, section 473.803, subdivision 2, is amended to read:

Subd. 2. [COUNCIL REVIEW.] The council shall review each master plan or revision thereof to determine whether it is consistent with the council's policy plan. If it is not consistent, the council shall disapprove and return the plan with its comments to the county for revision and resubmittal. The county (SHALL HAVE 90) *has 60 days to revise and resubmit the plan for council approval. Any county solid waste plan or report approved by the council prior to April 9, 1976, shall remain in effect until a new master plan is submitted to and approved by the council in accordance with this section.*

Sec. 64. Minnesota Statutes 1982, section 473.803, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] Each metropolitan county shall prepare and submit annually to the council for its approval a report containing information, as the council may prescribe in its policy plan, concerning solid waste generation and management within the county. The report shall include a statement of progress in achieving the land disposal abatement objectives (OF) *for the county and classes of cities in the county as stated in the council's policy plan and county master plan. The report (SHALL) must include a schedule of rates and charges in effect or proposed for the use of any solid waste facility owned or operated by or on its behalf, together with a statement of the basis for such charges.*

Sec. 65. Minnesota Statutes 1982, section 473.803, is amended by adding a subdivision to read:

Subd. 4. [ADVISORY COMMITTEE.] *By July 1, 1984 each county shall establish a solid waste management advisory committee to aid in the preparation of the county master plan and any revisions thereof. The committee must consist of one-third citizen representatives, one-third representatives from towns and cities within the county, and one-third representatives from private waste management firms. At least one-third of the members of the committee must be residents of towns or cities within the county containing solid waste disposal facilities and eligible solid waste disposal sites included in the council's disposal site inventory. Members of the council's solid waste advisory committee who reside in the county are members of the county advisory committee. A representative of the metropolitan council is an ex officio member of the committee.*

Sec. 66. Minnesota Statutes 1982, section 473.811, subdivision 10, is amended to read:

Subd. 10. [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITIES.] (THE AUTHORITY GRANTED TO METROPOLITAN COUNTIES BY THIS SUBDIVISION SHALL NOT APPLY WITHIN ANY SOLID WASTE MANAGEMENT DISTRICT ESTABLISHED UNDER SECTIONS

115A.62 TO 115A.72. IN ORDER TO ACCOMPLISH THE OBJECTIVES OF COUNTY WASTE MANAGEMENT, TO FURTHER THE STATE POLICIES AND PURPOSES EXPRESSED IN SECTION 115A.02, AND TO ADVANCE THE PUBLIC PURPOSES SERVED BY RESOURCE RECOVERY, THE LEGISLATURE FINDS AND DECLARES THAT IT MAY BE NECESSARY TO AUTHORIZE A COUNTY TO REQUIRE THAT ALL OR ANY PORTION OF THE SOLID WASTE THAT IS GENERATED WITHIN THE BOUNDARIES OF THE COUNTY OR ANY SERVICE AREA THEREOF AND IS DISPOSED OF IN THE STATE BE DELIVERED TO A RESOURCE RECOVERY FACILITY DESIGNATED BY THE COUNTY BOARD OR A TRANSFER STATION SERVING SUCH A FACILITY. ANY COUNTY DESIGNATION SHALL BE BASED UPON AN APPROVED MASTER PLAN AND SHALL BE SUBMITTED PURSUANT TO SECTION 473.827, SUBDIVISION 1, FOR REVIEW AND APPROVAL OR DISAPPROVAL BY THE METROPOLITAN COUNCIL. IN ESTABLISHING, CONTINUING, AND TERMINATING THE DESIGNATION, THE COUNTY SHALL BE GOVERNED BY ALL STANDARDS, EXEMPTIONS, PROCEDURES, AND OTHER REQUIREMENTS PROVIDED IN SECTION 115A.70, SUBDIVISIONS 2 TO 6) *A qualifying county may be authorized to designate a resource recovery facility under sections 32 to 41.*

Sec. 67. Minnesota Statutes 1983 Supplement, section 473.-823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL: CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility (SHALL) *or capacity may* be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need. The standards and procedures (SHALL) *must* be based on the council's disposal abatement plan adopted (PURSUANT TO) *under* section 473.149, subdivision 2d, and the abatement master plans of counties adopted (PURSUANT TO) *under* section 473.803, subdivision 1b. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural (SHALL) *are not* (BE DEEMED TO BE) feasible and prudent. Economic considerations alone (SHALL) *do not* justify the certification of need or the rejection of alternatives. In its certification the council (SHALL) *may not* consider alternatives (WHICH) *that* have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.

Sec. 68. Minnesota Statutes 1982, section 473.833, subdivision 4, is amended to read:

Subd. 4. [ACQUISITION AND DISPOSITION.] In order to prevent the development of conflicting land uses at and around future solid waste disposal facility sites, (THE COUNCIL SHALL PROVIDE FOR THE ACQUISITION BY A) *each metropolitan county (OF) shall acquire* property and rights in property at and around each solid waste disposal site selected *within the county* pursuant to subdivision 3. Each site scheduled for development as a facility through the year 1990 (SHALL) *must* be acquired in fee. Development rights (SHALL) *must* be acquired for each site scheduled for development as a facility after the year 1990 through the year 2000. Development rights (SHALL) *must* be acquired in a buffer area surrounding and at least equal to the area of each site scheduled for development as a facility through the year 2000. The owner of any property for which development rights are to be or have been acquired pursuant to this subdivision may elect by written notice at any time up to 90 days following the issuance of a permit by the agency for a facility to have the county acquire fee title to the property. Fee title (SHALL) *may not* be acquired by counties for buffer areas (ONLY) *except* at the election of the owner of the fee.

Sec. 69. [APPROPRIATIONS.]

Subdivision 1. [AMOUNTS.] *The following amounts are appropriated from the general fund to the metropolitan council and agency for the biennium ending June 30, 1985:*

(1) *for solid waste management planning assistance under sections 115A.42 to 115A.46, \$;*

(2) *for grants for market development under section 44, subdivision 1, clause (3), \$;*

(3) *for solid waste management technical assistance, and rule activities of the pollution control agency, \$*

Subd. 2. [REIMBURSEMENT.] *Any amount expended by the metropolitan council from the appropriations in subdivision 1 shall be reimbursed to the general fund, and the amount necessary to make the reimbursement is appropriated from the land-fill abatement fund to the commissioner of finance for transfer to the general fund.*

Subd. 3. [FEE ADMINISTRATION.] *\$ is appropriated from the general fund to the commissioner of revenue for the purpose of administering section 43. This appropriation shall be reimbursed to the general fund under section 43, subdivision 7. The complement of the department of revenue is increased by positions.*

Subd. 4. [RECOMMENDATION BY LCWM.] The legislative commission on waste management shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the landfill abatement and contingency action funds.

Subd. 5. [REPORT TO LEGISLATURE.] By November 1, 1986, and each year thereafter, the agency and metropolitan council shall submit to the senate finance committee, the house appropriations committee, and the legislative commission on waste management separate reports detailing the activities for which money from the landfill abatement and contingency action funds has been spent during the previous fiscal year.

Subd. 6. [WASTE MANAGEMENT BOARD.] The following amounts are appropriated from the general fund to the waste management board and are available until June 30, 1985:

(1) for technical and research assistance programs, \$300,000;

(2) for hazardous waste reduction grants, \$300,000;

(3) for hazardous waste collection and processing development grants, \$650,000;

(4) for administration of the programs provided in sections 8 to 13, \$100,000.

The complement of the waste management board is increased by four positions.

Subd. 7. [MEEB.] The sum of \$25,000 is appropriated from the general fund to the Minnesota environmental education board for the purpose of section 52, and is available until June 30, 1985.

Sec. 70. [REPEALER.]

Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7, are repealed.

Sec. 71. [EXEMPTION TO CERTIFICATE OF NEED.]

Section 67 does not apply to any expansion of a facility for which the EIS preparation notice has been published by March 15, 1984.

Sec. 72. [APPLICATION.]

This act is effective the day following final enactment, except sections 29, 30, and 43 to 49 are effective January 1, 1985. Sections 58 to 68 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Further, delete the title and insert:

"A bill for an act relating to solid and hazardous waste management; amending various provisions of the waste management act; prescribing various powers and duties of the waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical and research assistance to generators, and grants for hazardous waste reduction and processing and collection facilities; requiring requests for proposals for hazardous waste processing and collection facilities; authorizing hazardous waste processing facility loans; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; reducing the number of proposed sites in certain metropolitan counties for mixed municipal solid waste disposal facilities; amending various provisions relating to county and metropolitan solid waste management; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivisions 1 and 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.09, by adding a subdivision; 115A.11; 115A.18; 115A.24; 115A.241; 115A.46, subdivisions 1 and 2; 115A.70, by adding a subdivision; 116.07, by adding subdivisions; 116J.88, by adding a subdivision; 400.04, subdivision 3, and by adding a subdivision; 400.162; 473.181, subdivision 4; 473.803, subdivisions 2, 3, and by adding a subdivision; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivision 5; 115A.21, subdivision 1, and by adding a subdivision; 115A.22, subdivisions 1 and 4; 115A.241; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; 115B.22, subdivision 1; 116J.90, by adding a subdivision; 473.149, subdivisions 2d and 2e; 473.803, subdivisions 1a and 1b; and 473.823, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 115A and 116E; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7."

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 2016, A bill for an act relating to taxation; repealing the income tax surtax; appropriating money to the budget reserve account; amending Minnesota Statutes 1983 Supplement, section 16A.15, subdivision 6; repealing Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e; and Laws 1983, chapter 342, article 1, section 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1983 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

The commissioner of finance on July 1, 1984, shall transfer an additional \$125,000,000 to the budget reserve account in the general fund.

ARTICLE 2

Section 1. [REPEALER.]

Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e, and Laws 1983, chapter 342, article 1, section 8, are repealed.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1983.

ARTICLE 3

Section 1. Minnesota Statutes 1982, section 10A.31, subdivision 3a, is amended to read:

Subd. 3a. A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, provided that

(1)(a) if a petition is filed, it is filed by June 1 of the taxable year; or

(b) if the party ran a candidate for statewide office, that office must have been the office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general; and

(2) the secretary of state certifies to the commissioner of revenue by July 1, 1984, and by July 1 of every odd-numbered year thereafter the parties which qualify as minor political parties under this subdivision.

If a minor party qualifies by filing a petition, the party shall be certified only if the secretary of state determines that the party satisfies the following conditions:

(a) the party meets the requirements of section 10A.01, subdivision 13 and in the last applicable election ran a candidate for the statewide offices listed in clause (1)(b) of this subdivision;

(b) it is a political party, not a principal campaign committee;

(c) it has held a state convention in the last two years, adopted a state constitution, and elected state officers; and

(d) an officer of the party has filed with the secretary of state a certification that the party held a state convention in the last two years, adopted a state constitution, and elected state officers.

Sec. 2. Minnesota Statutes 1982, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four year term, $23\frac{1}{3}$ percent for the office of state senator and $46\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by .

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, ("LAST GENERAL ELECTION" MEANS THE LAST GENERAL ELECTION IN WHICH THE NAME OF A CANDIDATE OF THAT PARTY APPEARED ON THE BALLOT IN EACH VOTING PRECINCT IN THE STATE) amounts in the party's account shall be allocated based on (a)

the number of people voting in the last general election in that part of the county in his district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

Sec. 3. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 6, is amended to read:

Subd. 6. [LOCAL CONTRIBUTION.] No area may be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (a) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (b) an equivalent local contribution or investment out of other municipal funds, but excluding any special federal grants or loans. *In concluding the agreement with the municipality the commissioner may require that the local contribution will be made in a specified ratio to the amount of the state credits authorized.* If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Sec. 4. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 8, is amended to read:

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312 and this section is limited to (\$32,000,000) *\$35,600,000*. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to (\$8,000,000) *\$9,000,000*. Of the total limitation and the 1984-1985 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3). an amount equal to (\$10,000,000) *\$16,610,940* and (\$4,000,000) *\$5,000,000* respectively. These funds shall be allocated among such zones on a per capita basis *except that the maximum allocation to any one city is \$6,610,940 and no city's allocation shall exceed \$210 on a per capita basis.* An amount sufficient to fund the state funded property tax credits authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience

shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

Sec. 5. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 15, is amended to read:

Subd. 15. [REPORTING.] The commissioner shall require municipalities receiving enterprise zone designations pursuant to section 273.1312, subdivision 4, to supply information or otherwise report to the state regarding the economic activity which has occurred in the zone following the designation. This information shall include the number of jobs created in the zone, the number of economically disadvantaged individuals hired in the zone, the average wage level of the jobs created, and descriptions of any affirmative action programs undertaken by the municipality in connection with the zone. *The report must include the amount of the municipality's local contribution and number of businesses qualifying for or directly benefiting from the local contribution.*

Sec. 6. Minnesota Statutes 1983 Supplement, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. *A major or minor party includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.*

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 7. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

Subd. 16. [CONSERVATION TILLAGE FARM EQUIPMENT; CREDIT.] (a) A credit is allowed against the tax imposed by this chapter in an amount equal to ten percent of the net cost of conservation tillage planters.

(b) The credit for a taxable year may not exceed the liability for tax. "Liability for tax" means the tax imposed under this chapter for the taxable year reduced by the sum of any nonrefundable credits allowed under this chapter. The amount of any unused credit for a taxable year shall be a carryback to each of the preceding three taxable years and a carryover to each of the succeeding five taxable years. The entire amount of the credit shall be carried to the earliest of the taxable years to which it may be carried.

(c) For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month, or the 45th month, in the case of a corporation, following the end of the taxable year in which the credit arises which results in the carryback. With respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, the period of limitations shall be that period which ends with the expiration of the 15th day of the 46th month, or, in the case of a corporation, the 45th month following the end of the subsequent taxable year. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback, interest shall be computed only from the end of the taxable year in which the credit arises. With respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, interest shall be computed from the end of the subsequent taxable year.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "Conservation tillage planters" means planters or planting attachments designed and configured in a manner to plant row or small grain crops under a no-till, ridge-till, or strip-till method of conservation tillage.

(2) "No-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and planting is com-

pleted in a narrow seedbed approximately one to three inches wide.

(3) "Ridge-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and approximately one-third of the soil surface is tilled at planting with sweeps or row cleaners. Planting is completed on ridges several inches higher than the row middles.

(4) "Strip-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and approximately one-third of the soil surface is tilled at planting using a rototiller, inrow chisel, row cleaner, or other similar conservation tillage equipment.

Sec. 8. [TRANSITION PROVISION; UNITARY NET OPERATING LOSSES.]

(a) If for a taxable year a corporation is subject to the provisions of Minnesota Statutes, section 290.095, subdivision 3, clause (d), the corporation may elect to take a net operating loss carryback pursuant to this section. If the taxpayer elects to be covered by the provisions of this section, the carryback shall be subject to the provisions of Minnesota Statutes, section 290.095, subdivision 3, but excluding clause (d).

(b) If the corporation elects to be covered by this section, all members of the unitary group must file amended returns for the year to which the loss is carried back. The amended returns must reflect the income of the entire unitary business as provided in Minnesota Statutes, section 290.34, subdivision 2. The unitary group of corporations must calculate the sum of the separate tax liabilities prior to the amended returns and the sum of the tax liabilities after the amended returns are filed. (1) If the sum of the separate tax liabilities is more than the sum of the unitary tax liabilities per amended returns, no refund is allowed from the filing of the amended returns. (2) If the sum of the separate tax liabilities is less than the sum of the unitary tax liabilities per amended returns, the difference must be paid with the filing of the amended returns.

(c) After filing the amended returns required by clause (b), the corporation shall be allowed a net operating loss carryback pursuant to section 290.095, subdivision 3. The net operating loss carryback is allowable only to the extent of the tax liability on the amended returns. The time limit on the filing of the amended return allowed under this section shall be the same as the time limit on the filing of the return for the year from which the loss is carried back.

(d) This section is effective for taxable years beginning after June 1981 and is repealed for taxable years beginning after December 31, 1984.

If the taxpayer elects to be covered by this section, the extension of net operating loss carryovers provided by the last sentence of Minnesota Statutes, section 290.095, subdivision 3, clause (d), does not apply to any year to which a loss is carried back under this section.

Sec. 9. Minnesota Statutes 1983 Supplement, section 290.09, subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, (INCLUDING HORSES FOR HORSE RACING,) bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging." *This subdivision does not apply to the breeding, raising, caring for, or training of racing horses.*

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$30,000 of nonfarm gross income, or nonfarm taxable net income in the case of a corporation, provided however that in any case where nonfarm income exceeds \$30,000, the maximum allowable amount of \$30,000 shall be reduced by an amount equal to the nonfarm income in excess of \$30,000 multiplied by three. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1981, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$30,000 of nonfarm gross income, or nonfarm taxable net income in the case of a corporation, provided however that in any case where nonfarm income exceeds \$30,000, the maximum allowable amount of \$30,000 shall be reduced by an amount equal to the nonfarm income in excess of \$30,000 multiplied by three.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an S corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback. During this extended period, married individuals who elected to file separate returns or a combined return may change their election and file a joint return.

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 10. [CARRYFORWARD OF DEDUCTION.]

Any remaining balance of the deductions attributable to the breeding, raising, caring for, or training of racing horses from taxable years beginning before January 1, 1984, after any carryback or carryforward deductions allowed under Minnesota Statutes, section 290.09, subdivision 29 in taxable years beginning before January 1, 1984, may be carried forward to taxable years beginning after December 31, 1983, until they have been carried forward five years beginning with the first taxable year after the taxable year in which the deductions occurred. The deductions carried over to taxable years beginning after December 31, 1983, shall be allowed in an amount up to gross income or, in the

case of a corporation, taxable net income. The term "gross income" includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1982.

Sec. 11. Minnesota Statutes 1983 Supplement, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections (290.09, SUBDIVISION 4,) 290.10 (8), (9) or (10), and 290.18. *For purposes of the preceding sentence, federal income tax shall include the foreign tax credit allowed under section 33 of the Internal Revenue Code of 1954, as amended through December 31, 1983.*

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. For purposes of the preceding sentence, "federal adjusted gross income" includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(ii) Taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 but before January 1, 1983 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986. For an amount which remains to be deducted in a taxable year beginning after December 31, 1982, where the federal tax liability for the year in which the payment was made is joint and several under the computation of a joint federal return of husband and wife, the remaining amounts to be deducted shall be claimed by the same spouse and in the same dollar amount as the deduction was claimed in the first taxable year beginning after December 31, 1981.

(3) Those paid in a taxable year beginning after December 31, 1982 shall be claimed in the year in which the payment was made. This amount shall be apportioned between spouses as provided in clause (i) and shall be allocated for exempt income under the provisions of section 290.10, clause (9) or (10) as though the payment was part of the federal tax liability for the year in which the payment was made.

(4) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this clause shall be increased by the self-employment tax allowed under section 290.10, clause (8). The self-employment tax shall be deducted in the year paid as provided in paragraph (1), (2), or (3). The self-employment tax must be deducted by the person who earned the income. Self-employment tax paid in a taxable year beginning after December 31, 1982 shall be allocated for exempt income as provided in paragraph (3).

(iii) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(iv) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this subdivision shall be modified for such year.

(v) If the readjustments required in (iii) or (iv) are for taxes reflected in the transition rule described in (ii) (2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vi) Refunds which are not involved with any readjustments under the transition rule shall be included in income under Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

(vii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 12. Minnesota Statutes 1982, section 290.19, subdivision 1a, is amended to read:

Subd. 1a. [DETERMINATION OF SALES MADE WITHIN THIS STATE.] For purposes of this section the following rules shall apply in determining whether or not sales are made within this state.

Sales of tangible personal property are made within this state if the property is (DELIVERED OR SHIPPED TO) *received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point (OR), other conditions of the sale, or the ultimate destination of the property. When tangible personal property is sold to a purchaser who is licensed by a state or political subdivision to resell the tangible personal property only within the state of ultimate destination and upon which an excise tax is imposed by that state, the sale is made in that state.*

Sales made by or through a corporation which is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not be considered to have been made within this state.

Sec. 13. Minnesota Statutes 1983 Supplement, section 290.21, subdivision 4, is amended to read:

Subd. 4. (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of (SUCH) *the other corporation (, AND THE DIVIDENDS WERE PAID FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE BY THE CORPORATION PAYING SUCH DIVIDENDS; BUT IF THE INCOME OUT OF WHICH THE DIVIDENDS ARE DECLARED WAS DERIVED FROM BUSINESS DONE WITHIN AND WITHOUT THIS STATE, THEN SO MUCH OF THE REMAINDER SHALL BE ALLOWED AS A DEDUCTION AS THE AMOUNT OF THE TAXABLE NET INCOME OF THE CORPORATION PAYING THE DIVIDENDS ASSIGNABLE OR ALLOCABLE TO THIS STATE BEARS TO THE ENTIRE NET INCOME OF THE CORPORATION, SUCH RATE BEING DETERMINED BY THE RETURNS UNDER THIS CHAPTER OF THE CORPORATION*

PAYING SUCH DIVIDENDS FOR THE TAXABLE YEAR PRECEDING THE DISTRIBUTION THEREOF; THE BURDEN SHALL BE ON THE TAXPAYER OF SHOWING THAT THE AMOUNT OF REMAINDER CLAIMED AS A DEDUCTION HAS BEEN RECEIVED FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE).

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of (SUCH) *the* other corporation (, FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE BY THE CORPORATION PAYING SUCH DIVIDENDS; BUT, IF THE INCOME OUT OF WHICH THE DIVIDENDS ARE DECLARED WAS DERIVED FROM BUSINESS DONE WITHIN AND WITHOUT THIS STATE, THEN SO MUCH OF THE DIVIDENDS SHALL BE ALLOWED AS DEDUCTION AS THE AMOUNT OF THE TAXABLE NET INCOME OF THE CORPORATION PAYING THE DIVIDENDS ASSIGNABLE OR ALLOCABLE TO THIS STATE BEARS TO THE ENTIRE NET INCOME OF THE CORPORATION, SUCH RATE BEING DETERMINED BY THE RETURNS UNDER THIS CHAPTER OF THE CORPORATION PAYING SUCH DIVIDENDS FOR THE TAXABLE YEAR PRECEDING THE DISTRIBUTION THEREOF. THE BURDEN SHALL BE ON THE TAXPAYER OF SHOWING THAT THE AMOUNT OF DIVIDENDS CLAIMED AS A DEDUCTION HAS BEEN RECEIVED FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE).

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1954, as amended through December 31, 1982.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code of 1954, as amended through December 31, 1982.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this

subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) *Dividends received by a corporation from another corporation which is organized under the laws of a foreign country or a political subdivision of a foreign country, if the dividends are paid from income arising from sources without the United States, the commonwealth of Puerto Rico, and the possessions of the United States. The deduction provided by this clause does not apply if the corporate stock with respect to which dividends are paid constitutes the stock in trade of the taxpayer, or would be included in the inventory of the taxpayer, or constitutes property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or if the trade or business of the taxpayer consists principally of the holding of stocks and the collection of the income or gains therefrom. No dividend may be deducted under this clause if it is deducted under clause (a).*

Sec. 14. Minnesota Statutes 1982, section 290.21, is amended by adding a subdivision to read:

Subd. 8. [FOREIGN SOURCE ROYALTIES.] (a) Rentals, fees, and royalties accrued or received from a foreign corporation for the use of or for the privilege of using outside of the United States patents, copyrights, secret processes and formulas, good will, know-how, trade-marks, trade brands, franchises, and other like property. Rentals, fees, or royalties deducted under this subdivision shall not be included in the taxpayer's apportionment factors under section 290.19, subdivision 1, clause (1)(a) or (2)(a)(1).

(b) *A corporation is allowed the deduction provided by this subdivision only if during the taxable year it received or accrued at least 80 percent of its gross income from sources as defined in clause (a) and from dividends received from foreign corporations.*

(c) *For purposes of this subdivision, a foreign corporation is (i) a corporation organized under the laws of a foreign country or the political subdivision of a foreign country or (ii) a corporation which for the taxable year derives at least 80 percent of its gross income from sources without the United States, the commonwealth of Puerto Rico, and the possessions of the United States. A foreign corporation does not include a DISC as defined in section 992(a) of the Internal Revenue Code of 1954, as amended through December 31, 1983.*

Sec. 15. Minnesota Statutes 1982, section 462.651, subdivision 1, is amended to read:

Subdivision 1. [GENERAL TAXES.] The governing body of a municipality in which any project of a redevelopment company is located may, (BY ORDINANCE OR RESOLUTION) *after the local approval as provided in subdivision 5*, exempt from all local taxes (SO MUCH) *up to 50 percent* of the value of the property included in that project (AS) *which represents an increase over the assessed valuation of the property, both land and improvements, acquired for the project at the time of its original acquisition for redevelopment purposes.* (SHOULD SUCH A) *If the governing body* (GRANT SUCH A TAX) *grants an exemption, the project shall, to the extent of the municipal exemption and during the period thereof, be exempt from any and all* (STATE,) county (,) and school district *ad valorem property* taxes. The tax exemption specified herein shall not operate for a period of more than (25) *ten* years, commencing in each instance from the date on which the benefits of such exemption first become available and effective. (THERE SHALL BE) *No exemption may be granted from payment of special assessments or from the payment of inspection, supervision, and auditing fees of the commissioner of energy, planning and development or the authority.*

Sec. 16. Minnesota Statutes 1982, section 462.651, is amended by adding a subdivision to read:

Subd. 5. [COMMENT BY COUNTY BOARD.] *Before approving a tax exemption pursuant to this section, the governing body of the municipality must provide an opportunity to the members of the county board of commissioners of the county in which the project is proposed to be located and the members of the school board of the school district in which the project is proposed to be located to meet with the governing body. The governing body must present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption may not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.*

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, section 462.651, subdivision 2, and Minnesota Statutes 1983 Supplement, section 462.651, subdivision 3 are repealed.

Sec. 18. [EFFECTIVE DATE; APPROPRIATION.]

Sections 2 to 5 are effective the day following final enactment. Sections 1, 6, 7, 11, and 12 are effective for taxable years beginning after December 31, 1983, and, as applicable, for property tax refund claims based on rent paid in 1984 and thereafter and

property taxes payable in 1985 and thereafter. Sections 9, 10, 13, and 14 are effective for taxable years beginning after December 31, 1984. Sections 15 to 17 are effective for exemptions approved after July 1, 1984.

ARTICLE 4

Section 1. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

Subd. 3. When a mortgage secures a revolving line of credit under which advances, payments, and readvances may be made from time to time, the tax imposed under subdivision 1 shall be paid on the maximum amount of the line of credit which may be secured at any one time, as expressed in the mortgage, regardless of the time or amount of advances, payments, or readvances.

Sec. 2. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

Subd. 4. No tax under subdivision 1 shall be paid on the indeterminate amount which may be advanced by the mortgagee in protection of the mortgaged premises or the mortgage, including taxes, assessments, charges, claims, fines, impositions, insurance premiums, amounts due upon prior or superior mortgages and other prior or superior liens, encumbrances and interests, and legal expenses and attorneys' fees.

Sec. 3. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

Subd. 5. When a mortgage secures an indeterminate amount other than those described in subdivision 3 or 4, no tax shall be paid at the time the mortgage is recorded or registered, but the tax must be paid at the time of recording or filing an affidavit stating the amount and time of the actual advance.

Sec. 4. Minnesota Statutes 1983 Supplement, section 296.14, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND TRANSFER OF TAX ON GASOLINE SOLD FOR STORAGE IN ON-FARM BULK STORAGE AND ETHYL ALCOHOL FOR PERSONAL USE.] Notwithstanding the provisions of this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business and a farmer who uses gasoline on which a tax has not been paid shall report and pay the tax on all ethyl alcohol or gasoline delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax shall be reported and paid together with (THE INCOME TAX RETURN OF) any refund claim filed by the taxpayer under section 296.18. If no refund claim is filed, the tax shall be reported and paid annually by March 15 or more frequently, as the

commissioner may prescribe. (THE COMMISSIONER OF REVENUE SHALL TRANSFER THE AMOUNT COLLECTED IN EACH CALENDAR YEAR TO THE HIGHWAY USER TAX DISTRIBUTION FUND BY MARCH 30 OF THE FOLLOWING TAXABLE YEAR.) Any producer, qualifying under this subdivision, shall be exempt from the licensing requirements contained in section 296.01, subdivision 1.

Sec. 5. Minnesota Statutes 1983 Supplement, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for (ANY) a *qualifying* purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for (ANY) a *qualifying* purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be (ELIGIBLE TO RECEIVE THE CREDIT PROVIDED IN SECTION 290.06, SUBDIVISION 13, IN) *reimbursed and repaid* the amount of the tax paid by him upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. (THE TAXPAYER CLAIMING THIS CREDIT SHALL INCLUDE WITH HIS INCOME TAX RETURN INFORMATION INCLUDING) *By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to him. If the commissioner is satisfied that the claimant is entitled to the payments, he shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:*

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(2) *Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.*

Sec. 6. Minnesota Statutes 1982, section 296.18, subdivision 3, is amended to read:

Subd. 3. [PENALTIES FOR FILING FALSE CLAIMS.] Every person who shall make any false statement in any claim or invoice filed with the commissioner, or knowingly file with the commissioner any claim or invoice containing any false statement or collect or cause to be paid to him or to any other person a refund without being entitled thereto, when acting pursuant to the provisions of subdivision 1 or 2, clause 3, shall forfeit the full amount of the claim and be guilty of a misdemeanor. Every person who is convicted under the provisions of this subdivision shall be prohibited from filing with the commissioner any claim for refund upon gasoline purchased within six months after such conviction.

Sec. 7. Minnesota Statutes 1982, section 296.18, subdivision 8, is amended to read:

Subd. 8. [APPROPRIATION.] There is hereby appropriated to the persons entitled to such refund under this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment. (THERE IS ANNUALLY APPROPRIATED FROM THE HIGHWAY USER TAX DISTRIBUTION FUND TO THE GENERAL FUND THE AMOUNT REQUIRED TO MAKE THE REFUNDS REQUIRED TO BE PAID AS INCOME TAX CREDITS PURSUANT TO SECTIONS 290.06, SUBDIVISION 13 AND 296.18, SUBDIVISION 1.)

Sec. 8. Minnesota Statutes 1982, section 297A.01, is amended by adding a subdivision to read:

Subd. 16. [CAPITAL EQUIPMENT.] *Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing or fabricating tangible personal property to be sold ultimately at retail and must be used for the establishment, physical expansion, or substantial rehabilitation of a new or existing manufacturing or fabricating facility in this state. Purchase or use of machinery or equipment is made for the substantial rehabilitation of an existing facility only if the total sales tax which would be payable at*

the regular rate on depreciable personal property purchased or used for installation in the facility over a 12-month period including the date of the purchase exceeds \$300,000. Capital equipment does not include (1) repair or replacement parts, or (2) machinery or equipment used to extract, receive, or store raw materials.

Sec. 9. Minnesota Statutes 1982, section 297A.01, is amended by adding a subdivision to read:

Subd. 17. [SPECIAL TOOLING.] "Special tooling" means tools, dies, jigs, patterns, gauges, and other special tools which have value and use only for the buyer and for the use for which it is made. An item has use or value only to the buyer if the item is not standard enough to be stocked or ordered from a catalog or other sales literature, but must be produced in accordance with special requirements peculiar to the buyer and not common to someone else whose conditions for possible use of the material are reasonably similar to the buyer's.

Sec. 10. Minnesota Statutes 1983 Supplement, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [(FARM) MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of farm machinery (SHALL BE), special tooling, and capital equipment is four percent.

Sec. 11. Minnesota Statutes 1983 Supplement, section 297A.02, is amended by adding a subdivision to read:

Subd. 4. [MANUFACTURED HOUSING.] Notwithstanding the provisions of subdivision 1, for sales at retail of manufactured homes used for residential purposes the excise tax is imposed upon 65 percent of the sales price of the home.

Sec. 12. Minnesota Statutes 1983 Supplement, section 297A.14, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, (THERE) a use tax is imposed on every person in this state (A USE TAX) at the rate of six percent of the sales price of sales at retail (OF ANY OF THE FOREMENTIONED ITEMS) unless the tax imposed by section 297A.02 was paid on the sales price. Notwithstanding the provisions of

(THIS PARAGRAPH) *the preceding sentence, the rate of the use tax imposed upon the sales price of sales of farm machinery (SHALL BE), special tooling, and capital equipment is four percent.*

A motor vehicle subject to tax under this section shall be taxed at its fair market value at the time of transport into Minnesota if the motor vehicle was acquired more than three months prior to its transport into this state.

Sec. 13. Minnesota Statutes 1982, section 297A.15, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding the provisions of section 297A.02, subdivision 2, the tax on sales of capital equipment shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the rates under section 297A.02, subdivision 2, shall be paid to the purchaser. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.02, subdivision 2. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 297A.34 apply to the refunds payable under this subdivision.

Sec. 14. Minnesota Statutes 1983 Supplement, section 297A.-25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or

bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of (i) all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of

property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein; and (ii) *electricity, not included in clause (h) (i), used in on-farm agricultural production, including electricity for storage of agricultural produce, seed, fertilizer, and other material related to on-farm production of agricultural produce and for maintenance, cleaning, painting, and repair of on-farm production and storage facilities;*

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by

tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of tacomite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A-01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as

amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, *hot water*, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by

an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

(aa) The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state.

Sec. 15. Laws 1979, chapter 189, section 2, is amended to read:

Sec. 2. For the purposes of this act, "residential customer" means a customer classified by the public utility as a residential heating or residential non-heating customer of the public utility within the city of St. Paul and "gross operating revenue" means all sums received by the public utility from the sale of gas, *hot water heating* or electricity, excluding any amounts received which result from a surcharge on the public utility's rate schedule for the purpose of collecting the franchise fee.

Sec. 16. Minnesota Statutes 1983 Supplement, section 297A.-27, subdivision 1, is amended to read:

Subdivision 1. (EXCEPT AS PROVIDED IN SECTION 297A.275.) On or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.

Sec. 17. Minnesota Statutes 1982, section 297B.035, subdivision 3, is amended to read:

Subd. 3. Motor vehicles sold by a new motor vehicle dealer in contravention of section 168.27, subdivision 10, clause (1)(b) shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the dealer shall be required to pay the excise tax due on the purchase of those vehicles. *The sale of a new motor vehicle under lease within 120 days of the commencement of the lease is deemed a sale in contravention of section 168.27, subdivision 10, clause (1)(b) unless the lessor holds a valid contract or franchise with the manufacturer or distributor of the vehicle.*

Sec. 18. Minnesota Statutes 1983 Supplement, section 297B.09, is amended to read:

297B.09 [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND SHARE.] Money collected and received under this chapter must be deposited in the state treasury and credited (AS FOLLOWS:)

((A) ALL OF THE PROCEEDS COLLECTED BEFORE JULY 1, 1985, MUST BE CREDITED TO THE GENERAL FUND.)

((B) THREE-FOURTHS OF THE PROCEEDS COLLECTED AFTER JUNE 30, 1985, AND BEFORE JULY 1, 1987, MUST BE CREDITED TO THE GENERAL FUND.)

((C) ONE-HALF OF THE PROCEEDS COLLECTED AFTER JUNE 30, 1987, AND BEFORE JULY 1, 1989, MUST BE CREDITED TO THE GENERAL FUND.)

((D) ONE-FOURTH OF THE PROCEEDS COLLECTED AFTER JUNE 30, 1989, AND BEFORE JULY 1, 1991, MUST BE CREDITED TO THE GENERAL FUND.)

((E) AFTER JUNE 30, 1991, NONE OF THE PROCEEDS COLLECTED MAY BE CREDITED TO THE GENERAL FUND) *to the general fund. The amounts collected and received shall be credited to the highway user tax distribution fund and the transit assistance fund as provided in subdivision 2, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if he determines it is necessary or desirable to provide for the cash flow needs of the recipients of moneys from the transit fund.*

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter (AND NOT CREDITED TO THE GENERAL FUND) must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, (1985) 1984, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, (1985) 1984, and before July 1, 1987, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund account to be appropriated to the commissioner of transportation for transit assistance within the state.

Sec. 19. [507.325] [MORTGAGE SECURING REVOLVING LINE OF CREDIT; NOTICE.]

A mortgage securing a revolving line of credit under which advances, payments, and readvances may be made from time to time, and which states the maximum amount of the line of credit which may be secured at any one time, is effective as notice to parties from the time the mortgage is recorded as to all advances

and readvances secured thereby, regardless of the time or amount of advances, payments, or readvances and whether or not the advances or readvances are obligatory.

Sec. 20. [508.555] [MORTGAGE SECURING REVOLVING LINE OF CREDIT; NOTICE.]

A mortgage securing a revolving line of credit under which advances, payments, and readvances may be made from time to time, and which states the maximum amount of the line of credit which may be secured at any one time, is effective as notice to parties from the time the mortgage is filed and registered as to all advances and readvances secured thereby, regardless of the time or amount of advances, payments, or readvances and whether or not the advances or readvances are obligatory.

Sec. 21. [REPEALER.]

(a) Minnesota Statutes 1983 Supplement, section 297A.275, is repealed.

(b) Minnesota Statutes 1983 Supplement, section 290.06, subdivision 13, is repealed.

Sec. 22. [EFFECTIVE DATE; APPROPRIATION.]

Sections 4 to 7, and 21, paragraph (b), are effective for taxable years beginning after December 31, 1984. Sections 8 to 15 and 17 are effective for sales made after June 30, 1984. Sections 16, 18, and 21, paragraph (a), are effective the day following final enactment.

ARTICLE 5

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) 33 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 acre of land. 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) 15 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, subdivi-

sion 4 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) 15 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) \$4,000 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 1983 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, (7,) 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted

shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 3. Minnesota Statutes 1982, section 273.123, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION REQUIREMENTS.] A request for property tax relief shall be considered by the executive council only if the following requirements are met by the local unit of government submitting the request:

(1) a completed disaster survey shall be included with the request; and

(2) the average dollar amount of damage for the homes which are damaged and located within the geographic boundaries of the applicant shall be \$5,000 or more; and

(3) either (a) at least 25 homes located within the geographic boundaries of the applicant must have been damaged or destroyed; or (b) the total dollar amount of damage to all of the damaged homes located within the geographic boundaries of the applicant shall be equal to at least one percent of the total market value of all homestead property located within the geographic boundaries of the applicant.

Sec. 4. Minnesota Statutes 1982, section 273.123, is amended by adding a subdivision to read:

Subd. 7. [LOCAL OPTION.] The owner of homestead property not qualifying for an adjustment in valuation pursuant to subdivisions 1 to 5 may receive a reduction in the amount of taxes payable for the year in which the destruction occurs on the homestead portion if:

(a) 50 percent or more of the homestead dwelling, as established by the county assessor, is unintentionally or accidentally destroyed and the homestead is uninhabitable, and

(b) the owner of the property makes written application to the county assessor as soon as practical after the damage has occurred, and

(c) the owner of the property makes written application to the county board, upon completion of the restoration of the destroyed structure.

The county board may grant a reduction in the amount of property tax which the owner must pay on the qualifying home in the year of destruction. Any reduction in the amount of tax payable which is authorized by county board action shall be calculated based upon the number of months that the home is uninhabitable. The amount of net tax due from the taxpayer shall be multiplied by a fraction, the numerator of which is the number of months the dwelling was occupied by that taxpayer and the denominator is 12. For purposes of this subdivision, if a structure is occupied for a fraction of a month, it is considered a month. "Net tax" is defined as the amount of tax after the subtraction of all of the state paid property tax credits. If application is made following payment of all property taxes due for the year of destruction, the amount of the reduction granted by the county board shall be refunded to the taxpayer by the county treasurer as soon as practical.

Any reductions or refunds approved by the county board shall not be subject to approval by the commissioner of revenue.

The county board may levy in the following year the amount of tax dollars lost to the county government as a result of the reductions granted pursuant to this subdivision. Any amount levied for this purpose shall be exempt from the levy limit provisions of sections 275.50 to 275.56.

Sec. 5. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed as follows: the first \$60,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections 124.2137, 273.123, 273.135, and 473H.-10 shall be reduced by 54 percent of the tax; provided that the amount of the reduction shall not exceed \$650. Noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b or class 3c provided that an owner whose homestead is classified as class 3c shall meet the income requirements under section 273.111, subdivision 6 and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in

character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. *Homestead credit shall not be granted on that agricultural property receiving the state school agricultural credit when the homestead is classified as class 3c property.*

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 6. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 34 percent of the first (\$50,000) \$100,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 34 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 34 percent assessment.

(4) Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder, except that for employment property located in an enterprise

zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), the first \$50,000 of market value shall be valued and assessed at 31.5 percent and the remainder shall be assessed and valued at 38.5 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 273.1314, subdivision 9, paragraph (a).

Sec. 7. Minnesota Statutes 1982, section 273.13, subdivision 19, is amended to read:

Subd. 19. [CLASS 3D, 3DD.] Residential real estate containing four or more units, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to (36 PERCENT OF MARKET VALUE FOR TAXES LEVIED IN 1981 AND) 34 percent of market value (FOR TAXES LEVIED IN 1982 AND THEREAFTER). Residential real estate containing three or less units, other than seasonal residential, recreational and homesteads, shall be classified as class 3dd property and shall have a taxable value equal to 28 percent of market value.

Residential real estate as used in this subdivision means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d or 3dd and a portion does not qualify for class 3d or 3dd the valuation shall be apportioned according to the respective uses.

Residential real estate containing less than (THREE) *four* units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7. *A single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead must be classified as 3b, 3c, or 3cc as part of the owner's homestead according to the provisions of subdivisions 6 and 7. If more than one dwelling unit is attached to the structure, the units must be assessed as class 3d or 3dd property.*

Sec. 8. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 21, is amended to read:

Subd. 21. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified property as both home-

stead and nonhomestead, only the (VALUES) value attributable to the portion of the property (CLASSIFIED AS 3B, 3C, OR 3CC SHALL BE ENTITLED TO HOMESTEAD TREATMENT) which is used by the owner for purposes of a homestead shall be classified 3b, 3c, or 3cc, whichever is applicable, except as provided in subdivision 19 for buildings containing fewer than four residential units and for a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead. The homestead classification ratios contained in subdivisions 6 and 7 shall only be applied against that portion of the property which is homestead and is classified 3b, 3c, or 3cc, whichever is applicable.

If the assessor has classified property as both homestead and nonhomestead, the homestead credit provided under subdivisions 6 and 7 and the reductions in tax provided under sections 273.135 and 273.1391, shall apply to the value of both the homestead and the nonhomestead portions of the property.

(EXCEPT FOR BUILDINGS CONTAINING FEWER THAN THREE UNITS CLASSIFIED PURSUANT TO SECTION 273.13, SUBDIVISION 19, IF THE PORTION OF A BUILDING USED AS THE OWNER'S HOMESTEAD IS SEPARATE FROM OTHER DWELLING UNITS IN THE BUILDING, ONLY THE OWNER'S RESIDENCE PLUS THE LAND ATTRIBUTABLE TO THE RESIDENCE IS TO RECEIVE EITHER THE 3B, 3C, OR 3CC CLASSIFICATION.)

Sec. 9. 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) levied a tax payable in the previous year of at least (TWO MILLS) one mill 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. 10. Minnesota Statutes 1982, section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made from the general fund during the month of July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections (84A.51,) 89.036, 97.49, subdivision 3, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

Payments under section 477A.12 must also be reduced by the following percentages of the amounts paid during the preceding year under section 84A.51:

- (1) for the payment made July 15, 1984, 75 percent;*
- (2) for the payment made July 15, 1985, 50 percent;*
- (3) for the payment made July 15, 1986, 25 percent; and*
- (4) for the payment made thereafter, 0 percent.*

Sec. 11. [HOMESTEAD CREDIT ADJUSTMENTS.]

The commissioner of revenue shall by May 1, 1984, advise each county auditor to recompute the homestead credit to be applied against each parcel of property assessed by the county as both homestead and nonhomestead property. The homestead credit shall be applied against the entire parcel. The county auditor shall file an abatement with the county board listing each affected parcel and the additional homestead credit. The county board shall approve the abatement in the same manner as provided in section 375.192 and forward it to the commissioner. For purposes of this section, "homestead credit" means reductions paid pursuant to sections 273.13, subdivision 14a, 273.135 and 273.1391.

The county treasurer shall issue corrected property tax statements showing the corrected taxes. The additional homestead credit shall be a reduction against the second half taxes unless the county treasurer issues the corrected statements on or before May 11, 1984.

By July 1, 1984, each county auditor shall notify the commissioner in writing about the procedures used in the county to handle this process.

Sec. 12. [STATEMENT OF PURPOSE.]

The legislature finds that the method of valuing farm property on the basis of sales of comparable properties overstates the value of farm property. Further, the legislature finds that methods of determining the production value of farm property are not suitable as a basis for directly determining the value of individual parcels of farm property. Therefore, the legislature determines that market value should continue to be used as the basis for taxation but that that market value should be adjusted to reflect the production value of farm property.

Sec. 13. [DETERMINATION OF RATIO.]

The commissioner of revenue shall consider alternative methods of determining the production value of farm property and shall make a recommendation to the legislature by January 15, 1985, as to the percentage of market value to be used in determining the production value to be used for the 1985 assessment, taxes payable in 1986.

Sec. 14. [GUIDELINES TO COUNTY ASSESSORS.]

The department of revenue is directed by the legislature to prepare and issue guidelines to all county assessors by October 1984, on the following two topics:

(a) the proper assessment methods which should be used when valuing land which is irrigated or capable of being irrigated, and

(b) the proper method for adjusting sales price for financing terms and other conditions of a sale in determining true market value.

The guidelines are not rules subject to the administrative procedure act of chapter 14.

Sec. 15. [LOCAL GOVERNMENT AIDS ADJUSTMENT.]

Subdivision 1. [ELIGIBLE AMOUNT.] For any city (a) which incorporated in 1974 or thereafter, and (b) whose current population as determined for the calendar year 1979 local government aids distribution exceeded its 1970 census population by a factor of two or more, the commissioner of revenue shall determine the additional amount that the city would have received in the 1979 aid distribution had the full amount of its then current population been used in the formula calculation for that year. This amount shall be increased by 30 percent, and and by a percentage equal to its percentage increase in population from 1979 to 1983.

Subd. 2. [ADJUSTMENTS.] For every qualifying city, the amount determined pursuant to subdivision 1 shall be permanently added to its adjusted local revenue base pursuant to Minnesota Statutes, section 477A.011, subdivision 7a, and its maximum aid pursuant to Minnesota Statutes, section 477A.011, subdivision 10, for aids payable in 1984. 1984 aid distributions for all affected cities shall be based upon formula factors as amended by this section.

This amount shall also be a permanent adjustment to each city's adjusted levy limit base for taxes payable in 1984, pursuant to Minnesota Statutes, section 275.51, subdivision 3h.

Sec. 16. [REPEALER.]

Minnesota Statutes 1983 Supplement, section 273.11, subdivision 7, is repealed.

Sec. 17. [EFFECTIVE DATE.]

The increase in the agricultural aid maximum to \$4,000 in section 1 is effective for the 1983 assessment and thereafter, taxes payable 1984 and thereafter. The agricultural aid percentage increases in section 1 and sections 2 to 8 and 16 are effective for the 1984 assessment and thereafter, taxes payable in 1985 and thereafter. Section 9 is effective for local government aid distributions in 1985 and thereafter. Sections 10 to 14 are effective the day after final enactment. Section 15 is effective for local government aid distributions in 1984 and thereafter.

ARTICLE 6

Section 1. Minnesota Statutes 1983 Supplement, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus

vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is his income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. *When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.* If a homestead property owner was a part year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) (EXCEPT AS PROVIDED IN SECTION 290A.05,) If a homestead is occupied by two or more renters (OR JOINT TENANTS OR TENANTS IN COMMON), who are not husband and wife, the rent (OR PROPERTY TAXES) shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 2. Minnesota Statutes 1983 Supplement, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located.

No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. *When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.* Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 3. Minnesota Statutes 1983 Supplement, section 290A.-04, subdivision 2e, is amended to read:

Subd. 2e. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to (50) 100 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. (THE REFUND SHALL NOT EXCEED \$200. THE MAXIMUM REFUND SHALL BE REDUCED BY \$20 FOR EACH \$1,000 OF THE CLAIMANT'S HOUSEHOLD INCOME IN EXCESS OF \$30,000. NO REFUND SHALL BE ALLOWED IF THE CLAIMANT'S HOUSEHOLD INCOME EXCEEDS \$40,000.) *The maximum refund shall be an unlimited dollar amount, provided, however, that it shall be reduced by one-tenth for each \$1,000 of claimant's household income in excess of \$40,000.*

No refund pursuant to this subdivision shall be allowed if the claimant's household income exceeds \$50,000.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(ON OR BEFORE DECEMBER 1, 1983, THE COMMISSIONER SHALL ESTIMATE THE COST OF MAKING THE PAYMENTS PROVIDED BY THIS SECTION. NOTWITHSTANDING THE OPEN APPROPRIATION PROVISION OF SECTION 290A.23, IF THE ESTIMATED TOTAL REFUND CLAIMS EXCEED \$11,000,000, THE COMMISSIONER SHALL ADJUST ACCORDINGLY THE PERCENTAGE INCREASE IN NET PROPERTY TAXES PAYABLE OVER THE PREVIOUS YEAR WHICH IS REQUIRED TO QUALIFY FOR THE CREDIT PROVIDED IN THIS SUBDIVISION.)

This subdivision is repealed effective for property taxes levied in 1984, payable in 1985.

Sec. 4. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2g. If the net property taxes payable on a homestead increase more than 15 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds 15 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$400. The maximum refund shall be reduced by \$40 for each \$1,000 of the claimant's household income in excess of \$40,000. No refund shall be allowed if the claimant's household income exceeds \$50,000.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax

credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

This subdivision is repealed effective for property taxes levied in 1985, payable in 1986.

Sec. 5. Minnesota Statutes 1983 Supplement, section 290A.05, is amended to read:

290A.05 [COMBINED HOUSEHOLD INCOME (; RENTERS AND LESSEES).]

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, (JOINT TENANTS OR TENANTS IN COMMON WHO ARE ALSO CLAIMANTS,) roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, (AND WHO ARE RESIDING AT THE HOMESTEAD UNDER RENTAL OR LEASE AGREEMENT,) the property tax payable or rent constituting property tax shall be reduced as follows.

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

Sec. 6. [COMPUTATION; REFUNDS.]

The county auditor shall recompute the property tax for taxes payable in 1984 for all property subject to the \$4,000 maximum agricultural aid credit as provided in article 5, section 1 and shall mail amended statements to the affected taxpayers by May 11, 1984. The statements shall contain the information required in Minnesota Statutes, section 276.04, except that a notice must be enclosed stating that the statement is amended pursuant to this section. The auditor shall recertify the agricultural aid amounts to the commissioner of revenue by the time and in the form determined by the commissioner. The commissioner of revenue shall review the recertifications to determine their ac-

curacy. He may make changes in the recertification he deems necessary or return a certification to the county auditor for corrections.

If property taxes payable in 1984 have been paid in full without the adjustments required by this section, the taxpayer shall receive a refund equal to the difference between the taxes paid and the tax as recomputed. The county auditor shall determine the amount of the refund and mail it to the taxpayer as soon as practical.

If property taxes payable in 1984 have been partially paid without the adjustments required by this section, the auditor shall reduce the remaining taxes due by the amount of the tax reduction required by this section, and refund any excess. He shall notify the affected taxpayer of the corrected tax. In lieu of the reduction, a taxpayer may elect to receive a refund, and upon application of the taxpayer, the auditor shall refund the amount of the reduction attributable to the partial tax payment.

Refunds paid under this section do not include interest.

If the county auditor has settled and distributed funds under Minnesota Statutes, section 276.10 with respect to any amounts which have been refunded to taxpayers under this section, the amounts of those refunds must be deducted from the next settlement and distribution. The county auditor shall notify the appropriate school districts of the amount to be deducted.

Sec. 7. [PAYMENT; PENALTIES.]

Section 6 does not excuse timely payment of taxes as required in Minnesota Statutes, section 279.01. Penalties shall accrue as provided in Minnesota Statutes, section 279.01 only on the amount of the taxes as recomputed under section 6.

Sec. 8. [PROPERTY TAX REFUNDS.]

For purposes of Minnesota Statutes, section 290A.03, subdivision 13, "property taxes payable" means property taxes as recomputed under section 6. Taxpayers who filed property tax refund returns utilizing the payable 1984 property taxes before the recomputation must file an amended return and attach an amended property tax statement to the amended return.

Sec. 9. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of education the amount necessary to pay school districts the amount by which the property taxes payable in 1984 as recertified under section 6 are reduced. Payment must be made as provided in Minnesota Statutes, section 124.195.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 2, and 5 are effective for claims based on property taxes payable in 1985 and thereafter. Sections 3 and 6 to 9 are effective the day after final enactment. Section 4 is effective for claims based on property taxes levied in 1984 payable in 1985.

ARTICLE 7**Section 1. [RAMSEY-WASHINGTON METRO WATERSHED DISTRICT; WATER MAINTENANCE AND REPAIR FUND; CREATION OF FUNDS; TAX LEVY.]**

The Ramsey-Washington metro watershed district may, in addition to its other powers, establish a water maintenance and repair fund which shall be kept distinct from all other funds of the district. The fund shall be maintained by an annual ad valorem tax levy on each dollar of assessed valuation of all taxable property within the Ramsey-Washington metro watershed district sufficient to raise not more than \$30,000 in 1985, and in subsequent years not more than \$15,000. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by mill levy for the fund for the ensuing year, which shall be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 112.611, in addition to any other money levied, collected, and distributed to the district.

Sec. 2. [PURPOSE OF FUND.]

The water maintenance and repair fund may be used for any maintenance, repair, restoration, upkeep, and rehabilitation of any public ditch, drain, dams, sewer, river, stream, watercourse, and waterbody, natural or artificial, lying wholly or partly within the district. Works performed in accordance with the purposes of sections 1 to 3 may include, but are not limited to, stream and watercourse clean up and maintenance and stream and watercourse bank and bed repair and stabilization.

Sec. 3. [WORKS; MUNICIPALITIES.]

Any works to be undertaken and paid for from the water maintenance and repair fund shall be ordered by the board of managers of the district. Before the commencement of any works ordered, any affected municipality shall be notified in writing by the district about the proposed works and estimated costs. Within 30 days following receipt of the written notice, any affected municipality may notify the district in writing that it will perform the works ordered by the district. If the municipality undertakes the works, it shall be paid as previously prescribed by the district from the water maintenance and repair fund. If any affected municipality fails to perform any works ordered

by the board of managers, the district may have the works performed in any other manner authorized by law.

Sec. 4. [CROFT HISTORICAL PARK TAX.]

The Croft Historical Park Board, hereafter referred to in sections 4 and 5 as the "board," is created. The Croft Historical Park District, hereafter referred to in sections 4 and 5 as the "district", consists of the cities of Crosby, Cuyuna, Deerwood, Ironton, Riverton, and Trommald and the towns of Deerwood, Irondale, Rabbit Lake and Wolford. All of the cities and towns are located in Crow Wing county. The board shall consist of three members who are residents of the district, each of whom shall be elected at large in the district. The county board shall make arrangements for the holding of a special election within the district. For the initial election, the terms of the board members shall be as follows: one two year term, one three year term and one four year term. Thereafter, each board member shall be elected for a four year term.

If approved by referendum as provided in section 5, the board may levy a tax not to exceed 1.0 mills on the taxable value of all real and personal property located within the district. The amount of tax levied is in addition to all other taxes on the property and must be disregarded in the calculation of all other mill rate or per capita levy limitations imposed by law or charter upon the cities or towns located within the district. The tax shall be collected by the Crow Wing county treasurer and paid directly to the board. The proceeds of the tax levy shall be used by the board in conjunction with money received from the Iron Range Resources and Rehabilitation Board for operation of the Croft Historical Park.

Sec. 5. [REFERENDUM.]

The board shall make special arrangements with the Crow Wing county auditor for a referendum. The board shall submit the proposed levy to the eligible voters in the district at a general or special election. The date of the referendum shall be determined by the board. The question submitted shall read substantially as follows:

"Shall the Croft Historical Park Board be allowed to impose an annual levy of up to one mill upon all taxable property located within the boundaries of the district?"

Yes

No"

If a majority of those voting on the question approve the proposed levy, the board shall be permitted to certify a levy to

the Crow Wing county auditor as soon as practical following the referendum and in each subsequent year thereafter.

Sec. 6. [CLOQUET; PUBLIC TRANSPORTATION.]

Upon conditions mutually agreed, the city of Cloquet may contract with a privately owned public transportation system to provide transportation services to the people of the city. The city may disburse money to discharge the terms of the contract. The city may annually levy a property tax not to exceed one mill for the purpose of discharging the contract obligations. The amount of tax levied is in addition to all others permitted by law and must be disregarded in the calculation of statutory or other limitations on property tax levies.

Sec. 7. [ST. LOUIS COUNTY LAND CONVEYANCE.]

The state of Minnesota shall convey to Laila A. Furchner, Box 161, Makinen, Minnesota 55763, land in St. Louis County which forfeited for unpaid property taxes on February 4, 1980, and which is identified by parcel code number 676-10-2220 and legal description SE 1/4 or NW 1/4, Section 12, Township 56, Range 16, (Government Lot 3). The attorney general shall prepare an appropriate instrument of conveyance. The price for the land shall be the same as that provided for a redemption under Minnesota Statutes, section 281.02.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of managers of the Ramsey-Washington metro watershed district. Sections 4 and 5 are effective May 1, 1984.

Section 6 is effective upon the day after the filing of its approval by the governing body of the city of Cloquet in accordance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8

Section 1. Minnesota Statutes 1982, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED ASSESSED VALUE.] (a) [COMPUTATION.] The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, the commissioner of agriculture, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. (WHEN SUCH REVIEWS DISCLOSE REASONABLE EVIDENCE THAT THE ASSESSED VALUATION OF ANY DISTRICT FUR-

NISHED BY ANY COUNTY AUDITOR IS NOT BASED UPON THE MARKET VALUE OF TAXABLE PROPERTY IN SUCH DISTRICT, THEN SAID COMMITTEE SHALL CALL UPON THE DEPARTMENT OF REVENUE TO ASCERTAIN THE MARKET VALUE OF SUCH PROPERTY, AND ADJUST SUCH VALUES AS REQUIRED BY LAW TO DETERMINE THE ADJUSTED ASSESSED VALUATION) *The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures referenced in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized assessed value for the various strata of taxable property in each school district, which value shall be designated as the adjusted assessed value. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.*

(b) [METHODOLOGY.] *In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for proper execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedures act. By January 15, 1985, the commissioner shall report to the Chairmen of the House Tax Committee and the Senate Committee on Taxes and Tax Laws the results of a study which the commissioner shall prepare comparing the 1983 sales ratio study based upon the original 1983 assessment/sales ratio study methodology with the new methodology as provided in clause (b). The 1984 adjusted assessed values which are certified to the commissioner of education shall be computed using the 1983 assessment/sales ratio study methodology unless the 1985 legislature directs otherwise.*

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted assessed value of agricultural lands for the calculation of 1977 adjusted assessed values and thereafter, the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market gross rental rate capitalized at a rate of nine percent.

Sec. 2. Minnesota Statutes 1982, section 271.01, subdivision 5, is amended to read:

Subd. 5. [JURISDICTION.] The tax court shall have state-wide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the tax court shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state, as defined in this subdivision, in those cases that have been appealed to the tax court and in any case that has been transferred by the district court to the tax court. The tax court shall have no jurisdiction in any case that does not arise under the tax laws of the state or in any criminal case or in any case determining or granting title to real property or in any case that is under the jurisdiction of the probate court. The small claims division of the tax court shall have no jurisdiction in any case dealing with property valuation or assessment for property tax purposes until the taxpayer has appealed the valuation or assessment to the town or city board of equalization and to the county board of equalization, except for those taxpayers whose original assessments are determined by the commissioner of revenue. *A property owner, other than a public utility, mining company or the metropolitan airport commission for which the original assessments are determined by the commissioner of revenue, may not appear before the tax court unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least five days before the county board of review meeting.* The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of his property. Only the taxes, aids and related matters contained in chapters 60A, 124, 270, 272, 273, 274, 275, 276, 277, 278, 279, 285, 287, 288, 290, 290A, 291, 292, 293, 294, 295, 296, 297, 297A, 297B, 298, 299, 340, 473, 473F, and 477A shall be considered tax laws of this state subject to the jurisdiction of the tax court. This subdivision shall not be construed to prevent an appeal, as provided by law, to an administrative agency, board of equalization, or to the commissioner of revenue. Wherever used in chapter 271, the term commissioner shall mean the commissioner of revenue, unless otherwise specified.

Sec. 3. Minnesota Statutes 1982, section 271.06, subdivision 6, is amended to read:

Subd. 6. [HEARINGS; DETERMINATION OF ISSUES; DEFAULT.] The tax court shall hear, consider, and determine without a jury every appeal de novo. A tax court judge may empanel an advisory jury upon his motion. The tax court shall hold a public hearing in every case. All such parties shall have an opportunity to offer evidence and arguments at the hearing; provided, that the order of the commissioner or the appropriate unit of government in every case shall be prima facie valid. When an appeal to the tax court has been taken from an order or determination of the commissioner or from the appropriate unit of government, the proceeding shall be an original proceeding in the nature of a suit to set aside or modify the order or determination. In case no appellant shall appear the tax court shall enter its order affirming the order of the commissioner of revenue or the appropriate unit of government from which the appeal was taken. *If the department of revenue's sales ratio study is introduced in tax court as evidence, the sales ratio data from the study shall be admissible as evidence only as provided in section 278.05, subdivision 4.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the 16th day of May of the year in which the tax becomes payable. *A property owner, other than a public utility, mining company or the metropolitan airport commission for which the original assessments are determined by the commissioner of revenue, may not appear before the district court or tax court unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least five days before the county board of review meeting.* The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city

or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 5. Minnesota Statutes 1983 Supplement, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation *if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date.* Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, *inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.*

No reduction in value shall be granted on the basis of a sales ratio study published by the department of revenue unless

(a) *the sales prices are adjusted for the terms of the sale to reflect market value,*

(b) *the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,*

(c) *there is an adequate sample size, and*

(d) *the median ratio of the class of property of the subject property in the same county, city or town of the subject property is lower than 90 percent.*

If the above criteria are met and a reduction in value is granted, the reduction shall reflect only the difference between 90 percent and the percentage of the median ratio.

Sec. 6. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 9

Section 1. Minnesota Statutes 1982, section 290.01, subdivision 20e, is amended to read:

Subd. 20e. [MODIFICATION IN COMPUTING TAXABLE INCOME OF THE ESTATE OF A DECEDENT.] Amounts allowable under (SECTION 291.07, SUBDIVISION 1, CLAUSE (2)) *sections 2053 or 2054 of the Internal Revenue Code of 1954* in computing (MINNESOTA INHERITANCE OR) *federal* estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless (THERE IS FILED WITHIN THE TIME AND IN THE MANNER AND FORM PRESCRIBED BY THE COMMISSIONER A STATEMENT THAT THE AMOUNTS HAVE NOT BEEN ALLOWED AS A DEDUCTION UNDER SECTION 291.07 AND A WAIVER OF THE RIGHT TO HAVE THE AMOUNTS ALLOWED AT ANY TIME AS DEDUCTIONS UNDER SECTION 291.07. THE PROVISIONS OF THIS PARAGRAPH SHALL NOT APPLY WITH RESPECT TO DEDUCTIONS ALLOWED UNDER SECTION 290.077 (RELATING TO INCOME IN RESPECT OF DECEDENTS). IN THE EVENT THAT THE) *a valid election is made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 (DIFFERS FROM THE ELECTION MADE UNDER THIS PARAGRAPH APPROPRIATE MODIFICATION OF THE ESTATE'S FEDERAL TAXABLE INCOME SHALL BE MADE TO IMPLEMENT THE ELECTION MADE UNDER THIS PARAGRAPH IN ACCORDANCE WITH REGULATIONS PRESCRIBED BY THE COMMISSIONER).*

Sec. 2. Minnesota Statutes 1983 Supplement, section 291.005, subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code. (2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities. (THE MINNESOTA GROSS ESTATE SHALL BE VALUED PURSUANT TO THE PROVISIONS OF SECTION 291.215, SUBDIVISION 1.)

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of his death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of his death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through (MARCH 12) December 31, 1983.

Sec. 3. Minnesota Statutes 1983 Supplement, section 291.03, subdivision 1, is amended to read:

Subdivision 1. [(GENERALLY) TAX AMOUNT.] The tax imposed shall be an amount equal to the (GREATER OF:)

((1) A TAX COMPUTED BY APPLYING TO THE MINNESOTA TAXABLE ESTATE THE FOLLOWING PRESCRIBED RATES:)

(10 PERCENT ON THE FIRST \$100,000,)

(11 PERCENT ON THE NEXT \$500,000 OR PART THERE-OF,)

(12 PERCENT ON THE EXCESS, OR)

((2) A TAX EQUAL TO THE) same proportion of the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes (DESCRIBED HEREIN)

as the Minnesota gross estate bears to the value of the federal gross estate. The tax determined under this paragraph shall not be greater than the maximum credit allowable under section 2011 of the Internal Revenue Code.

Sec. 4. Minnesota Statutes 1982, section 291.075, is amended to read:

291.075 [SPECIAL USE VALUATION OF QUALIFIED PROPERTY.]

(WHEN PROPERTY SUBJECT TO THE TAX IMPOSED BY THIS CHAPTER QUALIFIES FOR VALUATION BASED ON ITS USE PURSUANT TO SECTION 2032A OF THE INTERNAL REVENUE CODE, IT SHALL HAVE THE SAME VALUE FOR MINNESOTA ESTATE TAX PURPOSES AS IT HAS FOR FEDERAL ESTATE TAX PURPOSES.) If, after the final determination of the tax imposed by this chapter, the property valued pursuant to section 2032A of the Internal Revenue Code is disposed of or fails to qualify and an additional tax is imposed pursuant to section 2032A(c), any increase in the credit for state death taxes shall be reported to the commissioner within 90 days after final determination of the increased credit. Upon notification the commissioner may assess an additional tax in accordance with section 291.03, subdivision 1 (, CLAUSE (2). NO ADDITIONAL MINNESOTA ESTATE TAX COMPUTED IN ACCORDANCE WITH SECTION 291.03, SUBDIVISION 1, CLAUSE (1) WILL BE IMPOSED NOR WILL AN ADDITIONAL DEDUCTION FOR FEDERAL ESTATE TAXES PAID BE ALLOWED UNDER SECTION 291.07 OR 291.08).

Sec. 5. Minnesota Statutes 1982, section 291.09, subdivision 1a, is amended to read:

Subd. 1a. (IN ALL INSTANCES IN WHICH A DECEDENT DIES AFTER DECEMBER 31, 1979 AND BEFORE JANUARY 1, 1981 LEAVING A FEDERAL GROSS ESTATE IN EXCESS OF \$161,000 AND IN ALL INSTANCES IN WHICH A DECEDENT DIES AFTER DECEMBER 31, 1980 AND BEFORE JANUARY 1, 1982 LEAVING A FEDERAL GROSS ESTATE IN EXCESS OF \$175,000, AND THE DECEDENT HAS AN INTEREST IN PROPERTY WITH A SITUS IN MINNESOTA, THE PERSONAL REPRESENTATIVE SHALL SUBMIT TO THE COMMISSIONER, ON A FORM PRESCRIBED BY THE COMMISSIONER, A MINNESOTA ESTATE TAX RETURN.)

In the case of a decedent dying after December 31, (1981) 1983 who has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return in (THE FOLLOWING) all instances (:)

(IN THE CASE OF
A DECEDENT
DYING IN)

(A MINNESOTA ESTATE
TAX RETURN SHALL BE
FILED IF THE FEDERAL
GROSS ESTATE EQUALS
OR EXCEEDS)

(1982	\$225,000)
(1983	275,000)
(1984	325,000)
(1985	400,000)
(1986	500,000)
(1987 AND THEREAFTER	600,000)

in which a federal estate tax return is required to be filed.

The return shall be accompanied by a federal estate tax return, a schedule of all assets in the estate at their date of death values, and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Sec. 6. Minnesota Statutes 1983 Supplement, section 291.09, subdivision 3a, is amended to read:

Subd. 3a. (1) The commissioner may challenge matters of (VALUATION OR) taxability of any assets reported on the return (, OR ANY DEDUCTIONS CLAIMED,) or the computation of tax, only if within 180 days from the due date of the return or the receipt of the return and all documents required to be filed with the return, whichever is later, the commissioner mails or delivers a written notice to the personal representative objecting to the return as filed and specifying the reasons for the objection.

(2) If the personal representative disagrees with the objection or does not wish to fully comply with the objection, he may request that the commissioner hold a hearing on the objection. Within 30 days of receipt of a request, the commissioner shall set a time and place for hearing. Unless otherwise agreed upon, the hearing date shall not be earlier than 30 days nor later than 60 days from the date of the notice setting the hearing. The notice of hearing shall set forth the rights available to the personal representative under chapter 14. Not later than 30 days after the commissioner receives the report and recommendation of the hearing examiner, or a written waiver of his hearing rights by the personal representative, the commissioner shall issue an order determining the tax. Any such determination

made by the commissioner may be appealed to the tax court as provided in section 271.09.

(3) At any time together with or after the objection, the commissioner, on his own initiative, may set a time and place for a hearing in accordance with (2) above.

(4) In his objection, or at any time thereafter, the commissioner may assess any additional tax as the facts may warrant, subject to the right of the personal representative to demand a hearing under chapter 15. If the personal representative does not demand a hearing within 90 days of the date of the assessment, the tax so assessed shall be legally due and the commissioner may proceed to collect (ANY) *the* unpaid tax (AFTER ONE YEAR FROM THE DATE OF DEATH). If the commissioner later finds the tax assessment to be erroneous, he may adjust the assessment prior to collection.

(5) The commissioner shall not be required to object to any subsequent original, amended or supplemental return in order to preserve his rights. The commissioner shall not be precluded from objecting to a subsequent original, amended or supplemental return even though an original return was accepted as filed. If the commissioner had accepted an original return showing no tax due and a subsequent original, amended or supplemental return discloses additional assets not disclosed on the original return, the commissioner may object to any matter of valuation, taxability, deduction or computation of tax on the original return within 180 days of receipt of the subsequent original, amended or supplemental return.

(6) Subject to the provisions of sections 291.11 and 291.215, the Minnesota estate tax liability shall be considered as finally determined on the date notification of acceptance is issued to the personal representative or, if no objection is filed, on the day following 180 days from the due date of the return or the receipt of the return, together with all other documents required to be filed with the return, whichever is later.

(7) Subject to the time limits imposed elsewhere in this chapter, the commissioner may refund an overpayment of tax, penalty or interest even though the personal representative has not made an application for refund.

Sec. 7. Minnesota Statutes 1982, section 291.132, subdivision 2, is amended to read:

Subd. 2. In lieu of an extension provided pursuant to subdivision 1 or payment of the estate tax in installments pursuant to section 291.11 on the property which qualifies under this subdivision, the personal representative may elect to extend the time for payment of the tax on property which qualifies for valuation under section (291.075) *2032A of the Internal Revenue Code*.

The personal representative of an estate containing such property may elect to pay all or part of the tax imposed by this chapter in one or more, but not to exceed ten, equal installments, provided that the maximum amount of tax which may be paid in installments pursuant to this subdivision shall be an amount which bears the same ratio to the estate's tax liability under this chapter as the value of property determined pursuant to section (291.075) *2032A of the Internal Revenue Code* and included in the Minnesota taxable estate bears to the amount of the Minnesota taxable estate. The first installment shall be paid on or before the date selected by the personal representative. The date may be no more than five years after the date prescribed by section 291.11, subdivision 1, for payment of the estate tax. Each succeeding installment shall be paid on or before that same date each year. An election under this subdivision shall be made not later than nine months after the decedent's death and shall be made in the manner as the commissioner shall prescribe by rule.

Sec. 8. Minnesota Statutes 1982, section 291.215, subdivision 1, is amended to read:

Subdivision 1. All property includable in the Minnesota gross estate of a decedent shall be valued in accordance with the provisions of sections 2031 or 2032 and, if applicable, 2032A, of the Internal Revenue Code and any elections made in valuing the federal gross estate shall be applicable in valuing the Minnesota gross estate. (EXCEPT AS OTHERWISE PROVIDED IN SECTION 291.075, THE VALUE OF ALL PROPERTY INCLUDABLE IN THE MINNESOTA GROSS ESTATE OF A DECEDENT MAY BE INDEPENDENTLY DETERMINED UNDER SAID SECTIONS FOR MINNESOTA ESTATE TAX PURPOSES.)

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; and 291.111 are repealed.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1984. Sections 2 to 9 are effective for estates of decedents dying after December 31, 1984.

ARTICLE 10

Section 1. Minnesota Statutes 1982, section 270.80, subdivision 4, is amended to read:

Subd. 4. "Nonoperating property" means and includes all property other than property defined in subdivision 3. Nonoperating property shall include real property which is leased or

rented or available for lease or rent to any person which is not a railroad company. Vacant land shall be presumed to be available for lease or rent if it has not been used as operating property for a period of one year preceding the valuation date. Nonoperating property also includes land which is not necessary and integral to the performance of railroad transportation services and which is not used on a regular and continual basis in the performance of these services. *Nonoperating property also includes that portion of a general corporation office building and its proportionate share of land which is not used for railway operation or purpose.*

Sec. 2. Minnesota Statutes 1982, section 270.84, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall annually between April 30 and July 31 make a determination of the fair market value of the operating property of every railroad company doing business in this state as of January 2 of the year in which the valuation is made. (IN DETERMINING THE FAIR MARKET VALUE OF THE PORTION OF OPERATING PROPERTY WITHIN THIS STATE, THE COMMISSIONER SHALL VALUE THE OPERATING PROPERTY AS A UNIT, TAKING INTO CONSIDERATION THE VALUE OF THE OPERATING PROPERTY OF THE ENTIRE SYSTEM, AND SHALL ALLOCATE TO THIS STATE THAT PART THEREOF WHICH IS A FAIR AND REASONABLE PROPORTION OF SAID ENTIRE SYSTEM VALUATION. IF THE COMMISSIONER USES ORIGINAL COST AS A FACTOR IN DETERMINING THE UNIT VALUE OF OPERATING PROPERTY, NO DEPRECIATION OR OBSOLESCENCE ALLOWANCE SHALL BE PERMITTED. HOWEVER, IF THE COMMISSIONER USES REPLACEMENT COST AS A FACTOR IN DETERMINING THE UNIT VALUE OF OPERATING PROPERTY, THEN A REASONABLE DEPRECIATION AND OBSOLESCENCE ALLOWANCE MAY BE USED) *In making this determination, the commissioner shall employ generally accepted appraisal principles and practices which may include the unit method of determining value. The commissioner may promulgate temporary rules adopting valuation procedures under sections 14.29 to 14.36.*

The commissioner shall give a report to the legislature in February (1980) 1985 and in February (1981) 1986 on the formula which he has used to determine the (UNIT) value of railroad operating property pursuant to (LAWS 1979, CHAPTER 303) *this article*. This report shall also contain the valuation for payable (1980) 1985 and (1981) 1986 by company and the taxes payable in (1980) 1985 and (1981) 1986 by company based upon the valuation of operating property. The legislature may review the formula, the valuation, and the resulting taxes and may make changes in the formula that it deems necessary.

Sec. 3. Minnesota Statutes 1982, section 270.86, is amended to read:

270.86 [APPORTIONMENT AND EQUALIZATION OF VALUATION.]

Subdivision 1. [APPORTIONMENT OF VALUE.] Upon determination by the commissioner of the fair market value of the operating property of each railroad company, he shall apportion such value to the respective counties and to the taxing districts therein in conformity with fair and reasonable rules and standards to be established by the commissioner pursuant to notice and hearing, except as provided in section 270.81. In establishing such rules and standards the commissioner may consider (a) the physical situs of all station houses, depots, docks, wharves, and other buildings and structures with an original cost in excess of \$10,000; (b) the proportion that the length and type of all the tracks used by the railroad in such county and taxing district bears to the length and type of all the track used in the state; and (c) other facts as will result in a fair and equitable apportionment of value.

Subd. 2. [EQUALIZED VALUATION.] After making the apportionment provided in subdivision 1, the commissioner shall determine the equalized valuation of the operating property in each county by applying to the apportioned value an estimated current year median sales ratio for all commercial and industrial property in that county. If the commissioner decides there are insufficient sales to determine a median commercial-industrial sales ratio, an estimated current year countywide median sales ratio for all property shall be applied to the apportioned value. No equalization shall be made to the market value of the operating property if the median sales ratio determined pursuant to this subdivision is within five percent of the assessment ratio of the railroad operating property.

Sec. 4. Minnesota Statutes 1982, section 270.87, is amended to read:

270.87 [CERTIFICATION TO COUNTY ASSESSORS.]

When the commissioner has made his annual determination of the *equalized* fair market value of the operating property of each company in each of the respective counties, and in the taxing districts therein, he shall certify the *equalized* fair market value to the county assessor, which shall constitute the *equalized* fair market value of the operating property of the railroad company in such county and the taxing districts therein upon which taxes shall be levied and collected in the same manner as on the commercial and industrial property of such county and the taxing districts therein.

Sec. 5. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of revenue the amounts necessary to make refunds of property taxes to railroads for assessment years 1981 and 1982 as a result of a change in the assessed valuation of railroad property. For purposes of this section, the term "property taxes" includes any interest which is required to be paid to the railroads. For purposes of this section, the term "taxing districts" includes counties, cities, towns, and special taxing districts.

The county auditor shall certify the amount of refunds paid to the railroads by all taxing districts in the county to the commissioner of revenue, provided that any refunds of less than \$50 which a taxing district made to a railroad shall be disregarded. The certification must be made on the forms and completed by the date prescribed by the commissioner. The commissioner of revenue shall review the certification and make changes in the certification that he determines are necessary. The commissioner shall make the payment to the county treasurer as soon as practicable after certification. The county treasurer shall make payment to each taxing district after apportionment by the county auditor.

This appropriation is available the day after final enactment until expended.

Sec. 6. [REPEALER.]

Minnesota Statutes 1982, section 270.90, is repealed.

Sec. 7. [EFFECTIVE DATE.]

Section 5 is effective the day after final enactment. The remaining sections in this article are effective for the 1984 assessment and subsequent years, for taxes payable in 1985 and subsequent years."

Delete the title and insert:

"A bill for an act relating to taxation; repealing the income tax surtax; modifying the designation of enterprise zones; increasing the funding for enterprise zones; modifying the definition of political party under the political contribution credit; providing an income tax credit for conservation tillage farm equipment; eliminating racehorses from the farm loss modification; permitting certain net operating loss carrybacks; permitting deduction of certain foreign taxes paid; allowing deduction of foreign dividends and royalties; modifying the definition of apportionment factors; restricting tax exemptions for redevelopment companies; changing the computation of the school agricultural credit retroactive to taxes payable in 1984

in certain cases; modifying the maximum targeting credit for payable 1984; providing a targeting credit for payable 1985; changing computation of certain local government aid payments; directing the department of revenue to issue guidelines on certain topics; instructing the commissioner to determine production value ratio; authorizing certain additional levies in counties; modifying the use of the sales ratio study as evidence in court; changing the methodology of the sales ratio study; changing certain property tax appeal procedures; imposing requirements for disaster relief credits; increasing agricultural aid to certain property; modifying the homestead credit provisions for certain property and providing refunds; changing the classification ratio maximum value on commercial and industrial property; limiting the property tax exemption for certain projects; repealing the exemption for franchise and special taxes and fees for certain projects; modifying the property tax refund with respect to certain claims; repealing rent capitalization; changing the estate tax; allowing the commissioner more discretion in valuing railroad property; providing for equalization of railroad valuations; authorizing the Ramsey-Washington metro watershed district to establish a maintenance and repair fund and levy taxes; creating the Croft historical park board; authorizing the board to levy taxes; authorizing the city of Cloquet to levy taxes for certain transit expenses; authorizing the conveyance of certain land in St. Louis County; clarifying the application of the mortgage registry tax to revolving lines of credit; changing the procedures for refunds of the motor fuels tax; reducing the sales tax rate for purchases of capital equipment and manufactured housing; exempting agricultural electricity, residential hot water district heating, and used manufactured housing from the sales tax; exempting residential district heating from the St. Paul franchise tax; repealing the accelerated payment of sales tax; transferring motor vehicle excise tax proceeds to the highway user and transit funds; providing for the priority of certain liens securing revolving lines of credit; appropriating money; amending Minnesota Statutes 1982, sections 10A.31, subdivisions 3a and 5; 124.2131, subdivision 1; 270.80, subdivision 4; 270.84, subdivision 1; 270.86; 270.87; 271.01, subdivision 5; 271.06, subdivision 6; 273.123, by adding subdivisions; 273.13, subdivisions 9 and 19; 287.05, by adding subdivisions; 290.01, subdivision 20e; 290.06, by adding a subdivision; 290.19, subdivision 1a; 290.21, by adding a subdivision; 290A.04, by adding a subdivision; 291.075; 291.09, subdivision 1a; 291.132, subdivision 2; 291.215, subdivision 1; 296.18, subdivisions 3 and 8; 297A.01, by adding subdivisions; 297A.15, by adding a subdivision; 297B.035, subdivision 3; 462.651, subdivision 1, and by adding a subdivision; and 477A.13; Minnesota Statutes 1983 Supplement, sections 16A.15, subdivision 6; 124.2137, subdivision 1; 273.11, subdivision 1; 273.13, subdivisions 6 and 21; 273.1314, subdivisions 6, 8, and 15; 278.01, subdivision 1; 278.05, subdivision 4; 290.06, subdivision 11; 290.09, subdivision 29; 290.18, subdivision 2; 290.21, subdivision 4; 290A.03, subdivisions 8 and 13; 290A.04, subdivision 2e, and by adding a subdivision; 290A.05; 291.005,

subdivision 1; 291.03, subdivision 1; 291.09, subdivision 3a; 296.14, subdivision 4; 296.18, subdivision 1; 297A.02, subdivision 2, and by adding a subdivision; 297A.14; 297A.25, subdivision 1; 297A.27, subdivision 1; 297B.09; and 477A.013, subdivision 1; Laws 1979, chapter 189, section 2; proposing new law coded in Minnesota Statutes, chapters 507 and 508; repealing Minnesota Statutes 1982, sections 270.90; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; and 462.651, subdivision 2; Minnesota Statutes 1983 Supplement, sections 273.11, subdivision 7; 290.06, subdivisions 2e and 13; 297A.275; and 462.651, subdivision 3; and Laws 1983, chapter 342, article 1, section 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2258, A bill for an act relating to public utilities; amending the definition of public utility; amending Minnesota Statutes 1983 Supplement, section 216B.02, subdivision 4.

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

The report was adopted.

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

S. F. No. 868, A bill for an act relating to natural resources; designating the morel as the official state mushroom; proposing new law coded in Minnesota Statutes, chapter 1.

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. 1349, A bill for an act relating to liquor; abolishing prohibition on furnishing liquor to certain persons and exclusion of certain persons from liquor establishments after notice;

amending Minnesota Statutes 1982, section 340.601; repealing Minnesota Statutes 1982, sections 340.73, subdivision 2; 340.78; and 340.81.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 340.07, subdivision 14, is amended to read:

Subd. 14. "Restaurant" means any establishment, other than a hotel, under the control of a single proprietor or manager, having appropriate facilities for the serving of meals, and where, in consideration of payment therefor, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests. In cities of the first class such establishment shall have facilities for seating not less than 50 guests at one time; in cities of the second and third class and statutory cities of over 10,000 population, such establishment shall have facilities for seating not less than 30 guests at one time, or such greater number as the municipality may determine; and in cities of the fourth class and statutory cities of 10,000 population or less, in such manner as the municipality shall determine; (AND) in an unincorporated or unorganized area of a county *other than St. Louis, Cook, and Lake counties* such establishment shall have facilities for seating not less than 100 guests at one time or such greater number as the county board may determine; *and in an unincorporated or unorganized area of St. Louis, Cook, and Lake counties the establishment must have facilities for seating not less than 50 guests at one time.*

Sec. 2. Minnesota Statutes 1982, section 340.114, is amended by adding a subdivision to read:

Subd. 5. This section does not apply to intoxicating liquor which is further distilled, refined, rectified, blended, bottled, or labeled with the importers' own labels after importation into Minnesota or is labeled with a brand belonging to and registered by a licensed wholesaler having its principal place of business in Minnesota.

Sec. 3. Minnesota Statutes 1982, section 340.601, is amended to read:

340.601 [IMPORT; TAX EVASION, MISDEMEANOR.]

(ANY) A person, excluding persons of minor age and other disqualified persons as provided by (SECTIONS) *section 340.73 (AND 340.78)*, who enters the state of Minnesota from another state may have in his personal possession one quart (32 ounces) of intoxicating liquor or fermented malt beverages or who enters

the state of Minnesota from a foreign country may have in his possession one gallon (128 ounces) of intoxicating liquor or ten quarts (320 ounces) of fermented malt beverages without the required payment of the Minnesota excise tax. (ANY) A 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) *section* 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) A person who (SHALL IMPORT) *imports* or (HAVE) *has* 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) *These* 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) *alcoholic* beverages when duly licensed by the commissioner or to common carriers with licenses to sell intoxicating liquor in more than one state. (ANY) A peace officer, the commissioner, or (HIS) *the commissioner's* authorized agents, may seize such untaxed liquor.

Sec. 4. [SHINGOBEE OFF-SALE LICENSES.]

Notwithstanding any other provision of law, the town of Shingobee in Cass County may renew any off-sale intoxicating liquor licenses issued by it prior to the effective date of this section, and all licenses issued by the town prior to the effective date of this section may remain in effect.

Sec. 5. [LAKE EDWARD OFF-SALE LICENSES.]

Notwithstanding any other provision of law, the town of Lake Edward in Crow Wing County may renew any off-sale intoxicating liquor licenses issued by it prior to the effective date of this section, and all licenses issued by the town prior to the effective date of this section may remain in effect.

Sec. 6. [MORATORIUM ON CERTAIN LICENSES.]

Notwithstanding the provisions of Minnesota Statutes, section 340.11, subdivision 10b, town boards of towns exercising powers under Minnesota Statutes, section 368.01, subdivision 1, may not issue any new off-sale intoxicating liquor licenses for a period of two years beginning with the effective date of this section. Licenses previously issued under section 340.11, subdivision 10b, may be renewed.

Sec. 7. [ROSEVILLE LICENSES.]

Notwithstanding any law to the contrary, the city of Roseville may issue six on-sale intoxicating liquor licenses in addi-

tion to those authorized by law. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340.

Sec. 8. [WEST ST. PAUL LICENSES.]

Notwithstanding any law to the contrary, the city of West St. Paul may issue one on-sale intoxicating liquor license in addition to those authorized by law. The license is subject to all other provisions of Minnesota Statutes, chapter 340.

Sec. 9. [ST. PAUL, CITY OF, ORDWAY MUSIC THEATRE; LIQUOR LICENSE.]

In addition to the licenses now authorized by law and notwithstanding any law or ordinance to the contrary, the city of St. Paul may issue an on-sale liquor license to the governing body of the Ordway Music Theatre for the premises known as the Ordway Music Theatre. The license may, with the prior approval of the governing body of the Ordway Music Theatre, be used any place on the premises of the music theatre by a person, firm, or corporation that has contracted for the use of the premises for an event or by a caterer of the person, firm, or corporation approved by the governing body of the Ordway Music Theatre. The license may be used by the person, firm, corporation, or caterer notwithstanding that the person, firm, corporation, or caterer may hold on-sale licenses in their own right.

Sec. 10. [ST. PAUL LICENSES.]

Notwithstanding any law or charter provision to the contrary, the city of Saint Paul may issue retail intoxicating liquor licenses within the territory where sale of intoxicating liquor was prohibited by Special Laws 1885, chapter 281, section 6, in excess of the number authorized by Minnesota Statutes, sections 340.57 to 340.59, subject to the limitations of section 340.11, subdivision 5a.

Sec. 11. [SALE OF LIQUOR AT ST. LOUIS COUNTY HERITAGE AND ARTS CENTER.]

Notwithstanding any law to the contrary, the Duluth city council may by ordinance authorize on-sale intoxicating liquor license holders in the city to sell intoxicating liquor at any convention, banquet, conference, meeting, or social affair conducted on the premises of the St. Louis County Heritage and Arts Center when the licensee has been engaged by a person or organization authorized by the board of directors of the center to use said premises for the event. Sales shall be made only to persons attending the event and shall be subject to all laws and ordinances governing the sale of intoxicating liquor not inconsistent with this act. The city council may impose any additional restrictions on sales it deems appropriate and may fix and assess a fee to be

paid by the licensee for each event at which sales are made. The authority granted herein shall not be construed to be the granting of an additional on-sale intoxicating liquor license in Duluth.

Sec. 12. [REPEALER.]

Minnesota Statutes 1982, sections 340.57; 340.58; 340.59; 340.73, subdivision 2; 340.78; and 340.81; and Special Laws 1885, chapter 281, section 6, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 5, and 6 are effective the day following final enactment. Section 4 is effective the day following final enactment and expires on July 1, 1985. Section 7 is effective on approval by the Roseville city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 8 is effective on approval by the West St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 9 is effective on approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 10 is effective August 1, 1984, following approval of the St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 11 is effective on approval of the Duluth city council and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to liquor; permitting exclusive sale by Minnesota wholesalers, distillers, rectifiers, or bottlers of brands they own; restricting locations to which urban towns may issue off-sale licenses; repealing prohibitions on furnishing liquor to certain persons and excluding certain persons from liquor establishments after notice; providing for the validity of certain licenses in the towns of Shingobee and Lake Edwards; imposing a moratorium on certain off-sale licenses issued by towns; authorizing Roseville and West St. Paul to issue additional on-sale intoxicating liquor licenses; authorizing the Duluth city council to permit the on-sale of liquor at the St. Louis County Heritage and Arts Center by on-sale licensees in the city of Duluth; authorizing the issuance of a license for the sale of intoxicating liquor at the Ordway Music Theatre; abolishing certain restrictions on the issuance of on-sale intoxicating liquor licenses in St. Paul; amending Minnesota Statutes 1982, sections 340.07, subdivision 14; 340.114, by adding a subdivision; and 340.601; repealing Minnesota Statutes 1982, sections 340.57; 340.58; 340.59; 340.73, subdivision 2; 340.78; and 340.81; and Special Laws 1885, chapter 281, section 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2016 and 2258 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 868 and 1349 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House File was introduced:

Rice, for the Committee on Appropriations, introduced:

H. F. No. 2317, A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and reports; appropriating money; amending Minnesota Statutes 1982, sections 3.099, subdivisions 2 and 3; 3.30, subdivision 2; 3.3005; 10.12; 10.14; 10.15; 11A.08, subdivision 3; 15.0575, subdivision 3; 15.0597, subdivision 1; 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.27, by adding a subdivision; 43A.30, by adding a subdivision; 84.085; 84A.53; 84A.54; 84B.03, by adding a subdivision; 94.16; 117.085; 117.195, subdivision 1; 117.232, subdivision 1; 125.031; 136.11, subdivisions 2 and 7; 136.506; 136.55, subdivision 2; 136A.81, subdivision 1; 138.31, subdivisions 2, 5, 9, 10, and by adding a subdivision; 138.33; 138.34; 138.35; 138.36; 138.37, subdivision 2; 138.38; 138.39; 138.40; 138.41; 144.413, subdivision 2; 144.414; 158.07; 158.08; 161.173; 161.174; 168.12, subdivisions 1 and 5; 168.33, subdivision 2; 169.966, subdivision 1a, and by adding a subdivision; 174.22, subdivisions 5, 10, and 13, and by adding a subdivision; 174.23, subdivisions 2 and 4; 174.24, subdivisions 1, 2, and 5; 174.265, subdivision 3; 179.741, subdivision 2; 214.001, subdivision 2; 214.13, subdivisions 1, 2, 3, and 5; 221.295; 239.10; 241.66, subdivision 2; 245.811; 256E.07, subdivision 1, and by adding subdivisions; 296.13; 299D.03, subdivision 2; 340.11, subdivision 11a; 345.47, subdivision 1, and by adding a subdivision; 345.525; 352.01, subdivision 2A; 359.01; 462A.05, subdivision 20; 473.121, subdivisions 7, 10, 18, 19, and by adding subdivisions; 473.146, subdivisions 3 and 4; 473.164; 473.167, subdivision 1; 473.168, subdivision 2; 473.181, subdivision 3; 473.223; 473.404; 473.405; 473.409; 473.411; 473.416; 473.435; 473.436, by adding a subdivision; 473.445; 473.446, subdivision 2a, and by adding subdivisions; and 473.449; Minnesota Stat-

utes 1983 Supplement, sections 3.3026, subdivision 5; 3.732, subdivision 1; 10A.01, subdivision 18; 15A.081, subdivisions 1, 6, and 7; 16A.125, subdivision 5; 16A.15, subdivision 6; 16A.-36; 16A.672; 43A.04, subdivision 8; 85.40, subdivision 5; 85.41, subdivisions 3, 4, and 5; 116J.70, subdivision 2a; 135A.03, subdivisions 1, 3, and 4; 135A.07, subdivision 2; 136.144; 136A.-121, subdivision 2; 161.43; 161.44, subdivision 6a; 174.24, subdivision 3; 180.03, subdivision 2; 214.06, subdivision 1; 214.13, subdivision 4; 221.041, by adding a subdivision; 221.071, subdivision 1; 256.01, subdivision 2; 256B.501, subdivision 10; 256D.111, subdivision 2; 256D.112; 268.673, subdivision 5; 268.-675; 268.676, subdivisions 1 and 2; 268.677; 268.686; 268.80; 268.81; 298.296, subdivision 1; 357.021, subdivision 2a; 462A.07, subdivision 15; 473.436, subdivision 6; 517.08, subdivision 1c; Laws 1983, chapter 199, section 17, subdivision 2; chapter 258, section 2, subdivision 7; chapter 290, section 172; chapter 293, sections 1; 2, subdivisions 2, 8, and 9; 4, subdivisions 1 and 3; and 6; chapter 301, sections 38, 39, 40, 41, and 42; proposing new law coded in Minnesota Statutes, chapters 13, 16, 16A, 18, 48, 84, 136, 138, 161, 190, 214, 221, 246, 256B, 268, 349, and 473; proposing new law coded as Minnesota Statutes, chapters 16B, 40A, 119, and 494; repealing Minnesota Statutes 1982, sections 10.13; 16A.132; 16A.51; 16A.54; 16A.59; 16A.73; 84.82, subdivision 9; 120.83; 136.11, subdivision 6; 136A.133; 174.03, subdivision 5a; 174.24, subdivisions 3a and 4; 174.265; 174.31; 256E.07, subdivision 3; 473.401; 473.402; 473.403; 473.411, subdivision 1; 473.413, as amended; and 473.451; Minnesota Statutes 1983 Supplement, sections 120.801; 120.802; 120.803; 120.804; 120.805; 120.806; and 120.81; Laws 1983, chapter 289, section 102.

The bill was read for the first time and laid over one day.

MOTIONS AND RESOLUTIONS

Vellenga moved that the name of Long be stricken and the name of Bishop be added as an author on H. F. No. 1400. The motion prevailed.

Simoneau moved that the name of Osthoff be added as an author on H. F. No. 1421. The motion prevailed.

Simoneau moved that the name of Sarna be added as chief author on H. F. No. 1427. The motion prevailed.

Onnen moved that the name of Blatz be added as an author on H. F. No. 1453. The motion prevailed.

Onnen moved that the name of Blatz be added as an author on H. F. No. 1454. The motion prevailed.

Neuenschwander moved that the name of Begich be stricken and the name of Ogren be added as an author on H. F. No. 1846. The motion prevailed.

Ellingson moved that the name of Long be added as an author on H. F. No. 2012. The motion prevailed.

Anderson, B., moved that H. F. No. 2178 be returned to its author. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, April 11, 1984. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, April 11, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

