

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1985

FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 6, 1985

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Father Gerard Rowan, St. Rita's Church, Cottage Grove, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Erickson	Kvam	Pappas	Skoglund
Anderson, R.	Fjoslien	Levi	Pauly	Solberg
Backlund	Forsythe	Lieder	Peterson	Sparby
Battaglia	Frederick	Long	Picpho	Stanius
Beard	Frederickson	Marsh	Piper	Staten
Becklin	Frerichs	McDonald	Poppenhagen	Sviggunn
Begich	Greenfield	McEachern	Price	Thiede
Bennett	Gruenes	McKasy	Quinn	Thorson
Bishop	Gutknecht	McLaughlin	Quist	Tjornhom
Blatz	Halberg	McPherson	Redalen	Tomlinson
Boerboom	Hartinger	Metzen	Rees	Tompkins
Boo	Hartle	Miller	Rest	Tunheim
Brinkman	Haukoos	Minne	Rice	Uphus
Brown	Heap	Munger	Richter	Valan
Burger	Himle	Murphy	Riveness	Valento
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vanasek
Carlson, J.	Jaros	Nelson, K.	Rose	Velienga
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Voss
Clark	Johnson	Norton	Schafcr	Waltman
Clausnitzer	Kahn	O'Connor	Scheid	Welle
Cohen	Kalis	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kelly	Olson, E.	Schreiber	Wynia
DenOuden	Kiffmeyer	Omman	Seaberg	Zaffke
Dimler	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Shaver	
Elioff	Kostohryz	Otis	Sherman	
Ellingson	Krueger	Ozment	Simoneau	

A quorum was present.

Ogren was excused.

Brandl was excused until 8:45 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1457, 782 and 1280 and S. F. No. 547 have been placed in the members' files.

S. F. No. 581 and H. F. No. 605, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knickerbocker moved that the rules be so far suspended that S. F. No. 581 be substituted for H. F. No. 605 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 675 and H. F. No. 723, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson moved that the rules be so far suspended that S. F. No. 675 be substituted for H. F. No. 723 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received :

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 1985

The Honorable David M. Jennings
Speaker of the House
The State of Minnesota

Dear Sir :

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 151, relating to education; prohibiting a school district from commencing the school year prior to Labor Day; amending Minnesota Statutes 1984, section 126.12.

Sincerely,
RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 1, 1985

The Honorable David M. Jennings
Speaker of the House
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 953, relating to the city of Hermantown; permitting the city to fix the size of its public utilities commission.

H. F. No. 158, relating to taxation; increasing the amount statutory cities and towns may levy for a public cemetery; amending Minnesota Statutes 1984, section 471.24.

H. F. No. 511, relating to crimes; clarifying the elements of the crime of assault in the second degree; amending Minnesota Statutes 1984, section 609.222.

H. F. No. 928, relating to recreational vehicles; requiring registration of snowmobiles; exemption; abolishing special registration requirements for collector's snowmobiles; amending Minnesota Statutes 1984, section 84.82, subdivision 6, and by adding a subdivision; repealing Minnesota Statutes 1984, section 84.82, subdivision 9.

H. F. No. 886, A resolution memorializing the governments of the United States and Sweden that the State of Minnesota adopts the County of Kronoberg as a sister state.

H. F. No. 1254, relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

H. F. No. 183, relating to commerce; modifying the finance charge on certain open end credit sales; providing for notice of increased interest rates; amending Minnesota Statutes 1984, section 334.16, subdivision 1.

Sincerely,

RUDY PERPICH
Governor

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

May 1, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1985</i>	<i>Date Filed 1985</i>
	151	51	April 30	April 30
	158	52	May 1	May 1
	511	53	May 1	May 1
	928	54	May 1	May 1
	953	55	May 1	May 1
	1254	56	May 1	May 1
	886	Resolution No. 3	May 1	May 1

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

May 2, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1985 Session of the State Legislature has been received from the Office of the Governor and is deposited in the

Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1985</i>	<i>Date Filed 1985</i>
	183	57	May 1	May 1

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 5, A bill for an act relating to motor vehicles; providing for free license plates for former prisoners of war; amending Minnesota Statutes 1984, section 168.125.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 168.125, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL PLATES; APPLICATION; FEE; TRANSFER.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time of renewal or first application for registration. The application shall include a certification by the commissioner of veterans' affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay (, IN ADDITION TO) *only* the registration tax required by law (, A FEE OF \$10) for the special license plates issued under this section. (THE ADDITIONAL FEE IS PAYABLE ONLY WHEN THE PLATES ARE IS-

SUED AND NO ADDITIONAL FEE IS PAYABLE IN ANY YEAR IN WHICH TABS OR STICKERS ARE ISSUED IN LIEU OF NUMBER PLATES. ALL FEES FROM THE SALE OF THE SPECIAL LICENSE PLATES SHALL BE PAID INTO THE STATE TREASURY AND CREDITED TO THE HIGHWAY USER TAX DISTRIBUTION FUND.)

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon (THE PAYMENT OF A FEE OF \$5. THIS FEE SHALL BE PAID INTO THE STATE TREASURY AND CREDITED TO THE HIGHWAY USER TAX DISTRIBUTION FUND) *notification to the registrar.*

For purposes of this section, "motor vehicle" means a passenger automobile, station wagon, pickup truck, motorcycle, or recreational vehicle."

Amend the title as follows:

Page 1, line 4, before the period insert ", subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 130, A bill for an act relating to taxation; motor vehicle excise; exempting sales of certain cars; amending Minnesota Statutes 1984, section 297B.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by any person described in and sub-

ject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (r).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) *Purchase or use of a passenger automobile as defined in section 168.011, subdivision 7, if the passenger automobile is in the tenth or subsequent year of vehicle life and is currently registered in Minnesota other than registration under section 168.10, subdivisions 1a, 1b, 1c, and 1d.*

Sec. 2. Minnesota Statutes 1984, section 115A.908, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL FEE.] The fee imposed in subdivision 1 is increased by \$10 for a transfer of title within the state, other than transfers for resale purposes, of every passenger automobile described in section 297B.03, clause (6). This fee is in lieu of the motor vehicle excise tax from which those passenger automobiles are exempt. Notwithstanding subdivision 2, revenue from the fee imposed by this subdivision shall be allocated as provided in section 297B.09.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for sales and transfers made after June 30, 1985."

Amend the title as follows:

Page 1, line 3, after "cars;" insert "imposing a fee in lieu of the tax;"

Page 1, line 4, delete "section" and insert "sections 115A.908, by adding a subdivision; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 136, A bill for an act relating to taxation; providing for refunds of certain gasoline taxes paid by resorts; appropriating money; amending Minnesota Statutes 1984, section 296.421, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 296.

Reported the same back with the following amendments:

Page 2, line 26, after "*finance*" insert a comma

Page 2, line 26, delete "*general*" and after "*fund*" insert "*or account*"

Page 2, line 27, after "*treasury*" insert "*to which the money was credited,*"

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 630, A bill for an act relating to transportation; motor carriers; increasing certain vehicle gross weight registration taxes; prescribing length and weight restrictions; revising gross weight vehicle zone; providing for ten percent overweight movement of potatoes and sugar beets; allocating funds to certain highway improvements; prescribing requirements for special permits for certain overweight vehicles; providing that counties may challenge seasonal weight restrictions imposed by commissioner; accelerating distribution of motor vehicle excise tax revenue; requiring plan to upgrade market arteries and a report to the legislature; prescribing a fee; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 169.81, subdivision 2; 169.825, subdivisions 8, 10, 11, and by adding a subdivision; 169.-

833; 169.86, subdivisions 1a, 2, and by adding a subdivision; 169.87, subdivision 1, and by adding a subdivision; and 297B.09, subdivision 2.

Reported the same back with the following amendments:

Page 16, after line 2, insert:

"Sec. 11. Minnesota Statutes 1984, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED (HAY) AGRICULTURAL PRODUCTS.]

The commissioner of transportation with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round (BALED HAY) *bales of agricultural products*, with a total outside width of the vehicle or the load not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, when visibility is impaired by weather, fog, or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on (SATURDAYS, SUNDAYS, AND) *Sunday from noon until sunset, or on the days the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.*

(b) The vehicles may not be operated on interstate highways.

(c) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. (SIMULTANEOUS FLASHING AMBER LIGHTS, AS PROVIDED IN SECTION 169.59, SUBDIVISION 4, MUST BE DISPLAYED TO THE FRONT AND REAR OF THE VEHICLE. THE FLASHING AMBER LIGHTS MUST BE LIGHTED ONLY WHEN THE WIDTH OF THE LOAD EXCEEDS 102 INCHES. THE FLASHING AMBER LIGHT SYSTEM IS IN ADDITION TO AND SEPARATE FROM THE TURN SIGNAL SYSTEM AND THE HAZARD WARNING LIGHT SYSTEM.)

(e) A vehicle operated under the permit must display red, orange, or yellow flags, (12) 18 inches square, as markers at the

front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

The fee for the permit is \$24."

Page 18, line 16 to page 19, line 19, delete section 13

Page 20, delete lines 13 and 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon insert "allowing wide loads of baled agricultural products to travel certain roads at certain times by annual permit; removing a requirement that wide loads be marked by flashing amber lights;"

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete everything through the semicolon

Page 1, line 18, after the semicolon insert "169.862;"

Page 1, line 19, delete everything after the first "subdivision" and insert a period

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 687, A bill for an act relating to agriculture; establishing a trade office promotional fund and statistical services account; clarifying membership of the soil and water conservation board; defining terms, extending a tax credit to dealers or distributors, and prescribing reports in connection with agricultural alcohol gasoline; establishing courses and appropriating money for alcohol fuel courses; amending Minnesota Statutes 1984, sections 17.101, by adding a subdivision; 40.03, subdivision 1; 296.01, subdivisions 7 and 24; 296.02, subdivision 7; and 296.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 2, line 36 to page 3, line 11, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1984, section 296.01, subdivision 6, is amended to read:

Subd. 6. [SPECIAL FUEL.] "Special fuel" means (1) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are delivered into the supply tank of a licensed motor vehicle or into storage tanks maintained by an owner or operator of a licensed motor vehicle as a source of supply for such vehicle; or (2) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, when delivered to a licensed special fuel dealer or to the retail service station storage of a distributor who has elected to pay the special fuel excise tax as provided in section 296.12, subdivision 3; or (3) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are used as aviation fuel; or (4) *an alcohol which is agriculturally derived fermentation alcohol of a purity of at least 55 percent and designed to be used in conjunction with diesel fuel in a diesel engine's internal combustion process, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from agricultural products such as cereal grains, cheese whey, sugar beets, or forest products.*"

Page 3, line 15, delete ":(a)"

Page 3, line 18, delete everything after "percent,"

Page 3, delete lines 19 to 21

Page 4, lines 7 to 9, delete the new language and insert "*A distributor shall be allowed a credit on each gallon of fuel grade alcohol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and*"

Page 4, line 11, delete "unleaded"

Page 4, line 15, delete "or dealer"

Page 4, line 16, delete "Any credit that would"

Page 4, lines 17 to 22, delete the new language and insert "*The tax credit received by a distributor on alcohol blended with motor fuels shall be passed on to the retailer*"

Page 4, line 23, to page 6, line 1, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 1984, section 296.02, subdivision 8, is amended to read:

Subd. 8. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE SOLD IN BULK TO GOVERNMENT OR FOR SCHOOL TRANSPORTATION.] (THE TAX ON GASOLINE IMPOSED BY SUBDIVISION 1 SHALL BE REDUCED BY EIGHT CENTS PER GALLON BEGINNING JANUARY 1, 1984, AND CONTINUING THROUGH JUNE 30, 1992, FOR GASOLINE WHICH IS AGRICULTURAL ALCOHOL GASOLINE AS DEFINED IN SECTION 296.01, SUBDIVISION 24, MEETS THE CRITERIA ESTABLISHED IN SUBDIVISION 7, AND) *A distributor shall be allowed a credit of 80 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold in bulk to the state, local units of government, or for use in the transportation of pupils to and from (SCHOOL OR) school-related events in school (BUSES) vehicles. This reduction is in lieu of the reductions provided in subdivision 7.*

Page 6, after line 16, insert:

"Sec. 10. [EFFECTIVE DATE.]

Sections 4, 5, 6, and 7 are effective July 1, 1986. Sections 1, 2, 3, and 8 are effective August 1, 1985."

Amend the title as follows:

Page 1, line 6, delete "dealers or"

Page 1, line 11, delete "7" and insert "6" and before "296.02" insert "and"

Page 1, line 12, delete "subdivision" and insert "subdivisions" and after "7" insert "and 8"

Page 1, line 12, delete "and 296.14, subdivision 1;"

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 757, A bill for an act relating to Hubbard county; authorizing a special levy for park and recreation purposes; requiring a reverse referendum under certain circumstances.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. [SPECIAL LEVY AUTHORITY; COUNTY AGRICULTURAL FAIRS.]

Hubbard county may levy a property tax not greater than \$20,000 annually and disburse its proceeds to operate county agricultural fairs and maintain buildings and grounds used for county agricultural fairs. This section supersedes any inconsistent provision of Minnesota Statutes, sections 38.17, 375.18, subdivision 8, or other law. The tax provided by this act shall be disregarded in the calculation of any other levy or limit on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law. The authority allowed by this section is provided at the request of the board of county commissioners of Hubbard county."

Page 1, line 16, after "1" insert "or 2"

Page 2, after line 15, insert:

"Sec. 4. [CASS COUNTY; TOURISM AND AGRICULTURE PROMOTION.]

The Cass county board may annually levy not more than \$70,000 on taxable property in the county and disburse the proceeds of the levy to promote tourism and agriculture in the county. A levy under this section shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.

Sec. 5. [REVERSE REFERENDUM.]

If the Cass county board intends to exercise the authority provided by section 4 in subsequent years, it shall pass a resolution stating the fact before January 1, 1986. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the clerk, the resolution shall not be effective until it has been submitted to the

voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to December 1, 1986."

Page 2, line 17, delete "*This act is*" and insert "*Sections 1 to 3 are*"

Page 2, line 19, after the period insert "*Sections 4 and 5 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Cass county.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "county" and insert "and Cass counties"

Page 1, line 2, delete "a" and delete "levy" and insert "levies"

Page 1, line 3, before the semicolon insert ", county agricultural societies, and tourism and agricultural promotions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 856, A bill for an act relating to taxation; imposing an additional tax on certain interest earned on state or municipal obligations; providing an income tax credit for certain interest paid on those obligations; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Page 1, line 12, before "*There*" insert "*(a)*"

Page 1, delete lines 16 to 25 and insert "*means the excess, if any, of*

(1) interest received or accrued by the taxpayer on qualified obligations for the taxable year, over the sum of

(2) *the additional state tax that was paid by the taxpayer for the taxable year because the interest was subject to tax under Laws 1983, chapter 213, and*

(3) *the interest that would have been received or accrued on the qualified obligations for the taxable year, if the interest rate had not been increased, less*

(4) *product of (i) the additional amount of state income tax, if any, deducted by the taxpayer in computing its federal income tax liability for the tax year because the interest was subject to tax under Laws 1983, chapter 213, and (ii) the taxpayer's marginal federal income tax rate."*

Page 1, line 26, delete "1983, chapter 213."

Page 1, after line 27, insert:

"(b) For purposes of this section, the following terms have the meanings given:

(1) *"Qualified obligation" means an obligation, the interest on which became taxable under this chapter pursuant to Laws 1983, chapter 213, and the obligation was subject to an agreement providing for an increase in the interest rate if the obligation became subject to state taxation. An obligation is a qualified obligation only if the agreement provided and the taxpayer or another person exercised a right to increase or otherwise permitted the interest rate on the obligations to increase to a rate greater than the otherwise applicable rate divided by .88.*

(2) *"Marginal federal income tax rate" means the highest federal income tax rate imposed on the taxpayer's taxable income for the taxable year."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 857, A bill for an act relating to insurance; authorizing the receiver of an insolvent insurer to accelerate the distribution of available assets in payment of claims against the insurer; establishing priority of certain claims; providing for recoupment of assessments; amending Minnesota Statutes 1984, sections 60B.44, subdivision 4; 60B.46, by adding subdivisions; 60C.05, subdivision 1; 60C.18; and 61B.07, by adding a subdivision.

Reported the same back with the following amendments :

Page 1, after line 11, insert :

"Section 1. Minnesota Statutes 1984, section 60B.44, subdivision 1, is amended to read :

Subdivision 1. [DEDUCTIBLE PROVISION.] The (ORDER OF) distribution of claims from the insurer's estate shall be (AS) *in the order stated in this section with a descending degree of preference for each subdivision.* The first \$50 of the amount allowed on each claim in the classes under subdivisions 3 to 7 shall be deducted from the claim and included in the class under subdivision 9. Claims may not be cumulated by assignment to avoid application of the \$50 deductible provision. Subject to the \$50 deductible provision, every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class."

Page 2, line 10, after "state" insert "*or as soon thereafter as is practical,*"

Page 5, line 18, before the period insert "*; provided that the aggregate amount of offsets by all member insurers in any one calendar year for prior assessments shall not exceed \$1,000,000*"

Page 6, line 2, before the period insert "*; provided that the aggregate amount of offsets by all member insurers in any one calendar year for prior assessments shall not exceed \$1,000,000*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 969, A bill for an act relating to taxation; exempting petroleum products used in certain improvements to agricultural land for purposes of the sales tax; amending Minnesota Statutes 1984, section 297A.25, subdivision 1.

Reported the same back with the following amendments:

Page 10, line 30, delete “; REFUNDS”

Page 10, delete lines 31 to 35 and insert: “*Section 1 is effective for sales made after June 30, 1985.*”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 990, A bill for an act relating to agriculture; providing for registration of crop and livestock buyers in licensing application; establishing a registration system for buyers of farm products; describing when farm products are purchased subject to a security interest; restricting certain financing statements to only cover crops; reducing the effective period of financing statements covering crops; amending Minnesota Statutes 1984, sections 17A.04, subdivisions 2, 5, and by adding a subdivision; 223.17, by adding a subdivision; 336.9-307; 336.9-402; 336.9-403; 386.42; proposing coding for new law as Minnesota Statutes, chapter 223A; repealing Minnesota Statutes 1984, section 386.43.

Reported the same back with the following amendments:

Page 1, line 20, delete “*establish a procedure*” and insert “*adopt permanent and emergency rules,*”

Page 1, line 21, after “*application*” insert a comma

Page 1, line 22, delete “*desires*” and insert “*selects*”

Page 1, line 23, after “*collect*” insert “*a \$5 fee and*”

Page 1, line 25, delete “*The*”

Page 1, delete lines 26 to 28

Page 2, line 11, delete “, *subdivision 1a,*”

Page 2, after line 20, insert:

“Sec. 4. Minnesota Statutes 1984, section 27.03, is amended to read:

27.03 [DEALER (LICENSED) REGULATION.]

Subdivision 1. [LICENSE.] No person except a wool dealer shall engage in, or purport to be engaged in, or hold himself out as being engaged in, the business of a dealer at wholesale, or as being a dealer at wholesale, unless he shall be licensed and bonded to carry on such business by the commissioner.

Subd. 2. [REGISTRATION.] The commissioner shall adopt permanent and emergency rules in conjunction with the license application to register wholesale produce dealers under section 386.42 in counties where the dealer selects to be registered. The commissioner shall collect a \$5 fee and the county registration fee from the dealer, register the dealer, and pay the county registration fee within ten days after the license is issued."

Page 2, line 24, delete "*establish a procedure*" and insert "*adopt permanent and emergency rules,*"

Page 2, line 25, after "*application*" insert a comma

Page 2, line 27, after "*collect*" insert "*a \$5 fee and*"

Page 2, line 28, after "*fee*" insert "*from the buyer*"

Page 2, line 29, delete "*The*"

Page 2, delete lines 30 to 32

Page 3, line 22, delete "*crop products,*"

Page 3, line 23, delete "*livestock, or other*"

Page 3, line 25, delete "*valid*" and insert "*effective upon receipt*"

Page 3, line 27, delete "*valid*" and insert "*effective*"

Page 3, line 29, delete "*verifiable*" and after "*method*" insert "*by which receipt can be verified*"

Page 8, lines 35 and 36, reinstate the stricken language and delete the underscored language

Page 12, delete lines 12 to 18

Page 12, after line 18, insert:

"Sec. 10. Minnesota Statutes 1984, section 336.9-404, is amended to read:

336.9-404 [TERMINATION STATEMENT.]

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement. The termination statement must set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment; identify the original financing statement by file number and filing date; and be signed by the secured party. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must (ON WRITTEN DEMAND BY THE DEBTOR) *not later than 30 days after the secured obligation has been satisfied* send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1)."

Page 12, line 35, delete "establish and"

Page 12, line 36, delete everything before "separate"

Page 13, line 1, delete "*must be maintained*"

Page 13, line 2, after "(3)" delete "*buyers of other farm*" and insert "*wholesale produce dealers*"

Page 13, line 3, delete "*products*"

Page 13, line 5, delete everything after "*buyers*"

Page 13, line 6, delete "*registration fee*"

Page 13, line 10, delete "*for crop products,*"

Page 13, line 11, delete everything before "*to*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "*agriculture*" and insert "*commerce*"

Page 1, line 3, after "*buyers*" insert "*and wholesale produce dealers*"

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8

Page 1, line 9, delete "*crops*" and insert "*requiring secured parties to send termination statements to debtors under certain circumstances*"

Page 1, line 11, after the first semicolon insert "*27.03;*"

Page 1, line 12, after "*336.9-403;*" insert "*336.9-404,*"

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1402, A bill for an act relating to agricultural resource loan guaranty program; modifying the terms of the state's guaranty; permitting purchases of private guarantees; repealing the authority to issue state general obligation bonds; authorizing the issuance of revenue bonds; restricting the use of tax increments; appropriating money; amending Minnesota Statutes 1984,

sections 41A.01; 41A.02, subdivisions 5, 7, 8, and by adding a subdivision; 41A.03, subdivisions 1, 3, and by adding a subdivision; 41A.04, subdivisions 1 and 3; 41A.05, subdivisions 1, 2, 3, and by adding a subdivision; and 41A.06, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Laws 1984, chapter 502, article 10, section 12.

Reported the same back with the following amendments:

Page 9, after line 33, insert:

"Sec. 11. Minnesota Statutes 1984, section 41A.04, subdivision 4, is amended to read:

Subd. 4. [RULE-MAKING AUTHORITY.] In order to effectuate the purposes of sections 41A.01 to 41A.07, the board shall adopt rules which are subject to the provisions of chapter 14. The board may adopt emergency rules which may be effective until December 31, (1985) 1986."

Page 10, line 35, delete "(1) Subject to section 16A.80," and insert "(a)"

Page 11, line 8, delete "Section" and insert "Sections 16A.80 and"

Page 11, line 8, delete "does" and insert "do"

Page 11, line 11, delete "subaccount" and insert "account"

Page 11, line 22, delete "(a)" and insert "(1)"

Page 11, line 24, delete "(b)" and insert "(2)" and delete "are" and insert "shall be"

Page 11, line 27, delete "(2)" and insert "(b)"

Page 11, line 35, delete "(3)" and insert "(c)"

Page 13, line 31, delete "agriculture" and insert "energy and economic development"

Page 13, after line 36, insert:

"Sec. 19. Minnesota Statutes 1984, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] Except for designations under subdivision 4, paragraph (c), clause (5), which shall be effective for five years, the designation of an area as an enterprise zone shall be effective for seven years after the date of designation.

Sec. 20. Minnesota Statutes 1984, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if the following requirements are met:

(a) The boundary of the zone or each subdivision of the zone is continuous and includes vacant or underutilized lands or buildings.

(b) The area of the zone is less than 400 acres. The total market value of the taxable property contained in the zone at the time of application is less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city. A zone which is located in a city of the third or fourth class may be divided into two to four separate subdivisions which need not be contiguous with each other. Each subdivision must contain not less than 100 acres. The restrictions provided by this paragraph shall not apply to areas designated pursuant to paragraph (c), clause (2) or (3).

(c) (1) The proposed zone is located within an economic hardship area, as established by meeting two or more of the following criteria:

(A) the number of residential housing units within the area which are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census or data submitted by the municipality and approved by the commissioner;

(B) the percentage of households within the area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

(C) (i) the total market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area has declined or it has increased less than 10.5 percent over the preceding three-year period;

(D) for the last full year for which data is available, the per capita income in the area was 90 percent or less of the per capita income for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the last 12-month period for which verifiable figures are available, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones; or

(3) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed; or

(4) *The area is an economic opportunity enterprise zone. An economic opportunity zone is an area in which a specific investment is proposed for a project that will create jobs; or*

(5) *The area is in a distressed county. A distressed county is a county which:*

(A) has ten percent or more of the work force in the county employed in agriculture for the preceding period of May 1 to April 30 using the most current data available from the state demographer; or

(B) has an average unemployment rate of ten percent or more for the preceding period from May 1 to April 30. The annual and monthly unemployment rates of the counties shall be determined using data supplied by the department of economic security.

Areas designated pursuant to paragraph (c), clause (4) or (5) need not meet the requirements of either paragraph (a) or (b) in order to qualify for designation.

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation; except that, in the case of two or more cities seeking designation of an enterprise zone under a joint exercise of power pursuant to section 471.59, the minimum population required by this provision shall not exceed the sum of the populations of those cities.

Sec. 21. Minnesota Statutes 1984, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] *Except as otherwise specifically provided by law, no area may be designated as an enterprise zone after December 31, 1986. No area may be designated as an enterprise zone which qualifies pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), after December 31, 1983.*

Sec. 22. Minnesota Statutes 1984, section 273.1313, subdivision 2, is amended to read :

Subd. 2. [PROGRAM.] (a) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 shall by resolution establish a program for classification of new property or improvements to existing property as employment property pursuant to the provisions of this section. Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, where appropriate, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, the probable time schedule for undertaking any construction or improvement, and information regarding the matters referred to in paragraph (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and if the property is to be improved or expanded, an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (d), and the clerk or auditor shall transmit it to the commissioner.

(c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disap-

proved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(d) In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:

(1) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;

(2) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

(3) Is not likely to cause the total market value of employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

(4) Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.

(e) In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), (4), or (5), an application for assessment as employment property under section 273.13, subdivision 9, (OR) for a tax reduction pursuant to section 273.1314, subdivision 9, or for a tax abatement under subdivision 2a or section 273.1314, subdivision 9, may not be approved unless the (GOVERNING BODY) commissioner finds and determines that the construction or improvement of the facility is not likely to have the effect of transferring existing employment from one or more other municipalities within the state.

Sec. 23. Minnesota Statutes 1984, section 273.1313, is amended by adding a subdivision to read:

Subd. 2a. [DISTRESSED COUNTIES.] Employment property in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (5), shall not be reclassified but shall have the property tax on it abated for five years using the calculation prescribed in section 273.1314, subdivision 4b, paragraph (b).

Sec. 24. Minnesota Statutes 1984, section 273.1314, subdivision 1, is amended to read:

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

(a) "City" means a statutory or home rule charter city.

(b) "Commissioner" means the commissioner of energy and economic development.

(c) "Expanding business" means a business that adds at least 25 full-time employees, or increases its employment level by at least ten percent, over its base level of employment. A base employment level of a business shall be the highest average annual employment level of the business for the three calendar years preceding the year in which an expansion occurred. A business that purchases an existing Minnesota business, and does not increase the full-time employment level over the sum of the full-time employment levels of the two separate businesses, shall not qualify as an expanding business. The commissioner may determine that a business is not an expanding business if the commissioner finds that a business has manipulated its number of employees for the purpose of qualifying as an expanding business under this section.

(d) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.

(e) "Manufacturing business" means a business whose principal activity is assembling, fabricating, manufacturing, mixing, or processing of products of agriculture, forestry, mining, or manufacture. Manufacturing includes conducting research and development activity to develop or improve products, production processes, or materials and the production of information and directions which dictate the functions to be performed by data processing equipment, commonly called computer software.

((D)) (f) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include an entity formed pursuant to

section 471.59 by the governing bodies of the cities with jurisdiction over the incorporated area and the counties with jurisdiction over the unincorporated area.

Sec. 25. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 1a. [DISTRESSED COUNTY.] The commissioner shall on July 31, 1985, and June 1 of every subsequent year designate counties which are distressed under section 273.1312, subdivision 4, paragraph (c), clause (5). The designation of a county as distressed is effective through May 31 of the following calendar year. A county may be designated as distressed as often as it so qualifies. Property and businesses in an enterprise zone designated according to section 273.1312, subdivision 4, paragraph (c), clause (5), are eligible for property tax abatements upon approval by the commissioner of a joint application of a municipality and a business. A municipality may not submit an application for an enterprise zone designation authorized by section 273.1312, subdivision 4, paragraph (c), clause (5), unless it finds that the project would not be undertaken but for the availability of the tax abatements. The findings must be adopted by a resolution of the governing body. A municipality may include in its application a request that the tax abatement for the business be less than that authorized by section 273.1314, subdivision 4b.

Sec. 26. Minnesota Statutes 1984, section 273.1314, subdivision 2, is amended to read:

Subd. 2. [SUBMISSION OF APPLICATIONS.] Except for applications for designation under section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), which may be submitted any time, on or before August 31 of each year, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Sec. 27. Minnesota Statutes 1984, section 273.1314, subdivision 4, is amended to read:

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each area is eligible for designation as an enterprise zone. If the department of energy and economic development no longer exists as presently constituted, the commissioner shall consult with the successor to the responsibilities of the planning division of that department in making this determination. In determining whether an area is eligible under section 273.1312, subdivision 4, paragraph (c), if unemployment, employment, income or other necessary data are not available for the area from the federal

departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

Except for enterprise zones eligible under section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), which are not to be submitted to the commission, on or before October 1 of each year, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential structures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, 96 Statutes at Large 1322;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (2) and (3), along

with his recommendations for the amount of funds to be allocated to each area.

Sec. 28. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 4a. [ECONOMIC OPPORTUNITY ZONES.] In evaluating an application for designation as an economic opportunity zone, the commissioner shall consider the number of new jobs a project will create, the investment in the project, and the number and degree of hardship factors listed in section 273.1312, subdivision 4, paragraph (c), clause (1)(A) to (E), which are present in the area where the proposed project is located.

The commissioner may not designate an economic opportunity zone if the project involves an investment in a restaurant, hotel, motel, or retail business unless the retail business is a catalog sales or distribution facility located in the opportunity zone and at least 70 percent of the business's sales originate outside of the state.

The commissioner may not approve any application unless the commissioner determines the project will provide a net economic benefit to the state over the life of the economic opportunity zone.

Sec. 29. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 4b. [DISTRESSED COUNTY ENTERPRISE ZONES.] (a) In evaluating an application from a business and municipality seeking tax abatements because it is in an enterprise zone eligible under section 273.1312, subdivision 4, paragraph (c), clause (5), the commissioner shall consider the number of new jobs or investments the abatements will help generate. Only applications submitted jointly by and for manufacturing businesses which are either new businesses to the state, expanding businesses in the municipality, or businesses which moved from another municipality in Minnesota shall be approved by the commissioner. On approval, the manufacturing business shall have property taxes in connection with its business in the enterprise zone abated for five years pursuant to paragraph (b). If an existing manufacturing business in an enterprise zone expands at its current location, the abatement of taxes shall be only for that portion of the business representing the expansion. If a manufacturing business moves employees or production to the enterprise zone from other areas of the state, the abatement of taxes shall be only for that proportion of the business in the enterprise zone representing an expansion over that moved from the other area. The commissioner may approve an application only upon determining that the project will provide a net economic benefit to the state over the life of the tax abatement.

(b) *The amount of the property tax abatements any approved business will receive shall be calculated in the following manner. The annual property tax liability for an approved manufacturing business shall be determined by dividing the annual average number of employees of the business in the distressed county on January 1, of the year in which the application is approved by the commissioner by the annual average number of employees of the business in the county on August 31, of the property tax assessment year for which the abatement is being calculated. The product of this quotient and the market value of the property shall be the new market value from which the business's ad valorem property tax liability is calculated. For applications approved in 1985, the annual property tax liability shall be determined by dividing the annual average number of employees of the business in the distressed county on July 1, 1985, by the annual average number of employees of the business in the distressed county on August 31, of the assessment year for which the abatement is being calculated. The product of this quotient and the market value of the property shall be the new market value from which the business's ad valorem property tax liability is calculated. The property tax abatement shall apply to the five property tax payable years immediately succeeding the year in which the application is approved.*

Sec. 30. Minnesota Statutes 1984, section 273.1314, subdivision 5, is amended to read:

Subd. 5. [LAC RECOMMENDATIONS.] On or before October 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By October 30 of each year the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. *Designations made pursuant to section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), may be made at any time of the year. In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.*

Sec. 31. Minnesota Statutes 1984, section 273.1314, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.]

(a) In each of the years 1983 and 1984, the commissioner shall designate at least two but not more than five areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than two areas in a congressional district may be designated as an enterprise zone in 1984.

(THIS SUBDIVISION) *Paragraphs (a) to (c) shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (2) (OR), (3), (4), or (5).*

The commissioner may make designations according to section 273.1312, subdivision 4, paragraph (c), clause (4), until December 31, 1987, and in a number that the commissioner determines is reasonable in relation to available funds. Designations of enterprise zones authorized by section 273.1312, subdivision 4, paragraph (c), clause (5), may be made until December 31, 1987, and in a number that the commissioner believes is reasonable in relation to available funds.

Sec. 32. Minnesota Statutes 1984, 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, subdivision 4, paragraph (c), clauses (1), (2), and (3) and this section is limited to \$35,600,000. *The maximum amount of tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312, subdivision 4, paragraph (c), clause (4), is \$7,500,000. A maximum of \$2,500,000 of tax reductions may be authorized for each of the fiscal years 1986, 1987, and 1988.* 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 \$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 \$16,610,940 and \$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, the refundable income tax credits, and the sales tax exemption, as 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 for the zone, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified for the zone. 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 amend-

ed 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.

There is no maximum for the total amount of property tax abatements which may be authorized pursuant to designations of enterprise zones under section 273.1312, subdivision 4, paragraph (c), clause (5), however, the commissioner must not allow the net cost to the state and local taxing authorities of all enterprise zones designated pursuant to section 273.1312, subdivision (4), paragraph (c), clause (5), to exceed \$10,000,000 during any biennium. If the commissioner determines the designation of an additional enterprise zone authorized by section 273.1312, subdivision 4, paragraph (c), clause (5), will result in a total net cost to the state and local taxing authorities in excess of \$10,000,000, during any biennium, the commissioner shall deny that application or adjust the amount of the tax abatement so as to stay within the \$10,000,000 net cost limit. The net cost of enterprise zones designated according to section 273.1312, subdivision 4, paragraph (c), clause (5), shall be determined by calculating the projected total amount of property taxes abated during each biennium for which the abatement will be in effect and subtracting from that total the additional projected income, property, and sales tax revenue directly and indirectly attributable to the business expansion that will be generated during each biennium for which the abatement will be in effect.

Sec. 33. Minnesota Statutes 1984, section 273.1314, subdivision 9, is amended to read:

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone if the purchase was made after the date of application for the zone;

(2) A credit against the income tax of an employer for additional workers employed in the zone, other than workers employed in construction, up to a maximum of \$3,000 per employee per year;

(3) An income tax credit for a percentage of the cost of debt financing to construct new or expanded facilities in the zone;

(4) A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility

or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated an area or areas, each consisting of at least 100 acres, of the city not in excess of 400 acres in which the tax reductions may be provided.

(f) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone and not qualifying for a credit under paragraph (a), clause (2), subject to a maximum of \$1,500 per employee per year;

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone. Notwithstanding paragraph (d), the credits provided by this paragraph may be provided to the businesses described in section 103(b)(6)(O)(i) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business. Subject to the five year limitation, the tax reductions may be provided after expiration of the zone's designation.

(h) The income tax credits provided pursuant to (CLAUSES) paragraphs (a) and (f) may be refundable.

(i) *For an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (5), the provisions of paragraphs (a) to (h) do not apply and the commissioner may only approve the abatement of property tax as authorized by section 273.1314, subdivision 4b. The commissioner may reduce the abatement authorized by section 273.1314, subdivision 4b, upon determining that a reduction is necessary for the project to provide a net economic benefit to the state over the life of the tax abatement.*

The commissioner shall not award any tax reductions under this subdivision or tax abatements under subdivision 4b if the commissioner of energy and economic development determines that the business receiving the tax reductions or abatement will cause undue hardship on existing Minnesota business."

Page 14, line 2, after "of" insert "paying or securing bonds issued by"

Page 14, line 3, delete "program, \$5,850,000" and insert "guaranty board, \$5,000,000"

Page 14, line 7, delete "\$75,000 is appropriated from the" and insert "An additional \$1,000,000 is appropriated from the general fund for purposes of the agricultural resource loan guaranty fund for fiscal years 1986 and 1987. Of this total, \$300,000 is appropriated to the commissioner of energy and economic development for the costs of administering the program, and \$700,000 is appropriated to the board and shall be deposited in the agricultural resource loan guaranty fund and may be used to provide loan guaranties or other authorized purposes of the fund."

Page 14, delete lines 8 to 11

Page 14, delete lines 13 to 15 and insert:

"The commissioner of energy and economic development shall provide staff and space for the general operations of the agricultural resource loan guaranty board. The department of energy and economic development's complement is increased by three for purposes of administering the program."

Page 14, line 19, delete "20" and insert "18 and 34 to 36"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to economic development; agricultural resource loan guaranty program; modifying the terms of the state guaranty; repealing the authority to issue state general obligation bonds; authorizing the issuance of revenue bonds;

restricting the use of tax increments; authorizing the designation of new enterprise zones; amending Minnesota Statutes 1984, sections 41A.01; 41A.02, subdivisions 5, 7, 8, and by adding a subdivision; 41A.03, subdivisions 1, 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 273.1312, subdivisions 3, 4, and 5; 273.1313, subdivision 2, and by adding a subdivision; and 273.1314, subdivisions 1, 2, 4, 5, 7, 8, 9, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Laws 1984, chapter 502, article 10, section 12."

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1490, A bill for an act relating to the city of Plymouth; authorizing the reassessment of special assessments against certain lands in the city.

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1552, A bill for an act relating to taxation; depositing revenue from the mortgage registration and deed taxes with the county and reducing certain welfare aids to the counties by the amount of revenue deposited; providing for local collection of taconite production taxes; amending Minnesota Statutes 1984, sections 273.136, subdivisions 1, 2, and 4; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2, and by adding a subdivision; 287.23; 287.25; 287.28; 287.29, subdivision 1; 287.33, 287.35; 298.225; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1 and 2; and 298.282, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1984, sections 273.136, subdivision 3; 287.27; 287.29, subdivision 3; and 287.32.

Reported the same back with the following amendments:

Page 13, lines 34 to 36, delete the new language

Page 16, at the end of line 36, add "*For purposes of the deduction required in this section, the total amount deducted for fiscal year 1986 shall become the base amount to be deducted from the report with the department of human services as*

required by section 256.82 for each successive fiscal year. If the amount collected by any county in any fiscal year under section 287.05 or 287.29 shall fall below the amount collected in fiscal year 1986 by that county, the deduction shall be reduced accordingly. Any increases in the amounts collected by any county under sections 287.05 or 287.29 that exceed the amount collected by that county in fiscal year 1986 shall be retained in the county treasury."

Page 17, lines 6 to 9, delete section 6

Page 19, line 9, delete "13" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete ", and by"

Page 1, line 10, delete "adding a subdivision"

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1596, A bill for an act relating to taxation; sales tax; providing for elimination of double taxation in sale and leaseback transactions; appropriating money; amending Minnesota Statutes 1984, sections 297A.01, subdivision 4; and 297A.15, by adding a subdivision.

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1607, A bill for an act relating to Goodhue county; permitting the county to levy a tax for the county historical society.

Reported the same back with the following amendments:

Page 1, delete lines 7 to 11 and insert:

"Subdivision 1. Goodhue county may levy an ad valorem tax of one-third mill per year on property in the county and use the proceeds of the levy for the county historical society. The levy is not subject to levy limits and must be disregarded in the calculation of the levy limits provided by Minnesota Statutes, chapter 275, or other law."

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1623, A bill for an act relating to taxation; limiting tax on certain sales of horses; amending Minnesota Statutes 1984, section 297A.01, subdivision 3.

Reported the same back with the following amendments:

Page 3, line 25, delete "*a claim*"

Page 3, line 26, delete "*under*"

Page 3, line 31, delete "*July*" and insert "*January*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1645, A bill for an act relating to economic development; creating a special enterprise zone for a large manufacturing facility; providing for the taxation of the facility; authorizing the issuance of bonds; providing assistance to locate a large manufacturing facility in the state; appropriating money; amending Minnesota Statutes 1984, sections 273.1312, subdivisions 3 and 4; and 273.1314, subdivisions 3, 4, 6, 7, 8, 9, and by adding a subdivision.

Reported the same back with the following amendments:

Page 6, line 19, delete "*at any time prior to*" and insert "*no later than*"

Page 10, line 9, delete "*municipalities and other local*"

Page 10, line 13, delete "*municipality*" and insert "*local taxing authority*"

Page 10, line 14, delete "*the*" and insert "*its budget.*"

Page 10, delete line 15

Page 10, line 18, delete "*municipality and other*"

Page 10, line 19, delete "*authorities*" and insert "*authority*" and after "*increase*" insert "*in equalized assessed property values as determined by the commissioner of revenue, multiplied by the mill rate of the local taxing authority for taxes payable in the current year,*"

Page 10, line 21, delete "*municipality's and other*" and insert "*local*" and delete "*authorities' budgets*" and insert "*authority's budget for the current year*"

Page 10, line 24, delete "*municipality's and other*" and delete "*authorities'* " and insert "*authority's*"

Page 10, line 26, delete "*municipality*" and insert "*local taxing authority*"

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

S. F. No. 302, A bill for an act relating to commerce; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes 1984, section 118.005.

Reported the same back with the following amendments:

Delete the amendment adopted by the House of Representatives on May 1, 1985.

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

S. F. No. 1190, A bill for an act relating to housing; providing for local and regional review and comment on housing programs; extending interest reduction program; ratifying the Minneapolis/St. Paul housing finance board established under a joint powers agreement; clarifying tax status of public housing property managed by a housing redevelopment authority or public housing agency; amending Minnesota Statutes 1984, sections 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a and 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 272 and 462C; repealing Minnesota Statutes 1984, sections 462.445, subdivision 13; and 462C.09, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

“Section 1. Minnesota Statutes 1984, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. *Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13 or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under*

the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located in an area which would qualify as a redevelopment district. These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality."

Page 12, line 7, before "Sections" insert "Section 1 is effective for all interest rate reduction programs established after December 31, 1985."

Page 12, line 7, delete "3 to 5" and insert "4 to 6"

Page 12, line 9, delete "10" and insert "11"

Page 12, line 12, delete "11" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "sections" insert "273.75, subdivision 4;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1642, 5, 130, 757, 856, 857, 969, 1490, 1596, 1607 and 1623 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 581, 675, 302 and 1190 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Dempsey, Schafer, Quist, McEachern and Waltman introduced :

H. F. No. 1646, A bill for an act relating to school buses ; excluding certain vehicles from the definition of school bus ; amending Minnesota Statutes 1984, sections 169.01, subdivision 6 ; and 171.01, subdivision 21.

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

Clausnitzer, Schreiber, Knickerbocker and Scheid introduced :

H. F. No. 1647, A bill for an act relating to public employees ; authorizing governmental subdivisions to make certain contributions on behalf of employees ; amending Minnesota Statutes 1984, sections 352.96, subdivision 2 ; 356.24 ; and 356.25.

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

Kelly introduced :

H. F. No. 1648, A bill for an act relating to education ; allowing certain teachers serving in the Peace Corps to be granted life licenses.

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

Pappas, Simoneau, Ozment and Clausnitzer introduced :

H. F. No. 1649, A bill for an act relating to state government ; establishing a recycling program for state government ; appropriating money ; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly, Long, Halberg, Minne and McKasy introduced:

H. A. No. 37, A proposal to study sale by the state of lists derived from license and registration information.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1216, A bill for an act relating to agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; changing certain eligibility criteria; providing for earlier payments; amending Laws 1985, chapter 4, sections 3, subdivision 8; and 6.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 186, A bill for an act relating to mental health services; authorizing interstate contracts for mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

The Senate has appointed as such Committee Mr. Samuelson, Mrs. Kronebusch and Mr. Dicklich.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 245, A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

The Senate has appointed as such Committee Mr. Pogemiller; Ms. Berglin and Mr. Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 274, A bill for an act relating to crimes; defining "dangerous weapon" to include flammable liquids; amending Minnesota Statutes 1984, section 609.02, subdivision 6.

The Senate has appointed as such Committee Messrs. Frank, Wegscheid and Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 315, A bill for an act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new

fire hall and permitting participation by other local government units; amending Minnesota Statutes 1984, section 368.85, subdivision 6.

The Senate has appointed as such Committee Mrs. Adkins, Messrs. Chmielewski and Gustafson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 535, A bill for an act relating to health; restricting the use of lead in pipes, solders, and flux; requiring schools to flush certain pipes; amending Minnesota Statutes 1984, section 123.36, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

The Senate has appointed as such Committee Mrs. Adkins, Messrs. Petty and Benson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1235, A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; repealing a prior land conveyance; amending Laws 1981, chapter 190, section 3; repealing Laws 1984, chapter 502, article 13, section 15.

The Senate has appointed as such Committee Messrs. Willet, Merriam and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of 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. 756, A bill for an act relating to taxation; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; providing for timely payment of certain taxes; changing the estate tax; changing corporate income tax provisions; rescheduling payments and reducing the budget reserve; reducing sales tax rates and providing sales tax exemptions; authorizing lodging taxes for towns; reducing the basic maintenance mill rate; changing the computation of or eliminating certain property tax credits; changing property tax exemptions, classes, and classification ratios; changing the taxation of telephone companies; providing for studies; imposing duties on the commissioner of revenue and commissioner of natural resources; providing for changes in the levy limit base; changing property tax provisions relating to collection of property tax, confessions of judgment, and sale of tax forfeit lands; changing property tax refund benefit schedules, eligible claimants, and definition of property taxes payable; changing local government aids; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 16A.15, subdivision 6; 41.55; 60A.15, subdivision 12; 60A.199, subdivision 8; 92.46, subdivision 1; 117.55; 124.2137, subdivision 1; 124A.02, subdivision 7; 270A.07, subdivision 5; 271.12; 272.02, subdivision 1; 272.03, subdivision 1; 273.111, subdivision 11; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.133, by adding a subdivision; 273.135, subdivisions 1, 2, and 5; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.40; 273.42, subdivision 2; 275.50, by adding a subdivision; 275.51, subdivision 3h; 277.03; 277.10; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 290.01, subdivisions 20, 20a, 20b, 20d, 20e, and 20f; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 3f, 3g, 11, and by adding a subdivision; 290.067, subdivision 1; 290.069, subdivision 4; 290.07, subdivision 1; 290.08, subdivision 26, and by adding a subdivision; 290.089, subdivision 2; 290.09, subdivisions 1 and 7; 290.091; 290.095, subdivisions 3, 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.14; 290.17, subdivision 2; 290.175; 290.18, subdivision 2; 290.21, subdivisions 3 and 4; 290.34, subdivision 1, and by adding a subdivision; 290.37, subdivision 1; 290.38; 290.39, subdivision 1a; 290.41, subdivision 2; 290.50, subdivisions 1, 5, and 6; 290.92, subdivisions 2a, 6, 11, 13, and 19; 290.93, subdivision 9; 290.932, subdivision 1;

290.933, subdivision 1; 290.936; 290A.03, subdivisions 3 and 13; 290A.04, subdivisions 1, 2, 3, and by adding a subdivision; 290A.06; 290A.07, subdivisions 2a and 3; 290A.10; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.18; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.34, subdivision 1; 297A.01, subdivisions 15 and 16; 297A.02, subdivisions 1, 2, and 3; 297A.03, subdivision 2; 297A.14; 297A.25, subdivision 1; 297A.26, subdivision 1, and by adding a subdivision; 297A.27, subdivision 1; 297A.35, subdivision 1; 298.09, subdivision 4; 298.40, by adding a subdivision; 299.05; 299F.26, subdivision 1; 473.556, subdivision 4; 477A.011, subdivision 3, and by adding subdivisions; 477A.013; 477A.018; 524.3-1202; amending Laws 1984, chapter 644, section 85; proposing coding for new law in Minnesota Statutes, chapters 16A; 124A; 270; 290; and 297A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 270.75, subdivision 7; 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; 273.1315; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 2f, 3d, 3e, 14, 15, 16, 17, 18, and 19; 290.067, subdivisions 2 and 4; 290.068, subdivision 6; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 1, 3, 4, 5, and 6; 290.09, subdivision 29; 290.101; 290.18, subdivision 4; 290.21, subdivision 8; 290.34, subdivision 2; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 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; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; 297A.15, subdivision 5; 297A.26, subdivision 3; 297A.275; 385.36; 477A.011, subdivision 10; and 477A.0131; repealing Laws 1982, chapter 523, article 7, section 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Levi moved that the House refuse to concur in the Senate amendments to H. F. No. 756, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker :

I hereby announce that the Senate refuses to concur in the House amendment to :

S. F. No. 459, A bill for an act relating to probate; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; clarifying provisions relating to the award

of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, sections 257.34, subdivision 1; 525.13; 525.145; and 525.703; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212 to 525.216.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such Committee Messrs. Spear, Merriam and Sieloff.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like Committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Vanasek moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 459. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 919.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1525.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 919, A bill for an act relating to agriculture; limiting security interests in farm product proceeds; protecting buyers when subject to a security interest; amending Minnesota Statutes 1984, sections 336.9-306; and 336.9-307.

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

S. F. No. 1525, A bill for an act relating to the organization and operation of state government; authorizing cost containment pro-

grams in medical assistance and general assistance medical care programs; establishing a permanency planning program for children at risk of out-of-home placement; appropriating money for human services, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62D.12, by adding a subdivision; 62E.06, subdivision 1; 129A.03; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 254.05; 256.045, subdivision 3, and by adding a subdivision; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.19, subdivision 1; 256B.48, by adding a subdivision; 256B.69, subdivision 4; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 260.311, subdivision 5; 260.38; 268.38, subdivisions 2, 10, and 11; 268.685; 290.089, subdivision 2; 363.03, by adding a subdivision; 390.11, by adding a subdivision; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.22; and 611A.34, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 256.967; 259.405; and 268.686.

The bill was read for the first time.

Forsythe moved that S. F. No. 1525 and H. F. No. 1640, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Forsythe requested immediate consideration of H. F. Nos. 1639 and 1641.

H. F. No. 1639 was reported to the House.

CALL OF THE HOUSE

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

Anderson, G.	Brown	Dyke	Halberg	Kostohryz
Backlund	Burger	Elioff	Hartinger	Krueger
Battaglia	Carlson, D.	Erickson	Hartle	Kvam
Becklin	Carlson, J.	Fjoslien	Haukoos	Levi
Begich	Carlson, L.	Forsythe	Himle	Lieder
Bennett	Clark	Frederick	Jennings, L.	Marsh
Bishop	Clausnitzer	Frederickson	Johnson	McDonald
Blatz	Cohen	Frerichs	Kalis	McEachern
Boerboom	Dempsey	Greenfield	Kiffmeyer	McKasy
Boo	DenOuden	Gruenes	Knickerbocker	McLaughlin
Brinkman	Dimler	Cutknecht	Knuth	McPherson

Metzen	Pappas	Richter	Simoneau	Uphus
Minne	Pauly	Rodosovich	Skoglund	Valan
Munger	Peterson	Rose	Solberg	Valento
Murphy	Piepho	Sarna	Sparby	Vanasek
Nelson, D.	Piper	Schafer	Stanis	Vellenga
Nelson, K.	Poppenhagen	Scheid	Staten	Voss
Neuschwander	Price	Schoenfeld	Sviggum	Waltman
O'Connor	Quinn	Schreiber	Thorson	Welle
Olsen, S.	Rodalen	Seaberg	Tjornhom	Wenzel
Osthoft	Rees	Segal	Tomlinson	Zaffke
Otis	Rest	Shaver	Tompkins	Spk. Jennings, D.
Ozment	Rice	Sherman	Tunheim	

Levi 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.

McLaughlin moved to amend H. F. No. 1639, as follows:

Page 78, line 6, delete "3"

A roll call was requested and properly seconded.

The Speaker called Halberg to the Chair.

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

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

There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Nelson, D.	Quinn	Sparby
Battaglia	Jennings, L.	Nelson, K.	Rest	Staten
Beard	Kahn	Neuschwander	Rice	Tomlinson
Begich	Kelly	Norton	Riveness	Tunheim
Brinkman	Knuth	O'Connor	Rodosovich	Voss
Brown	Kostohryz	Olson, E.	Sarna	Welle
Carlson, L.	Lieder	Osthoft	Scheid	Wenzel
Clark	Long	Otis	Schoenfeld	Wynia
Cohen	McEachern	Pappas	Segal	
Elioff	McLaughlin	Peterson	Simoneau	
Ellingson	Metzen	Piper	Skoglund	
Greenfield	Minne	Price	Solberg	

Those who voted in the negative were:

Anderson, R.	Boo	Dimler	Frerichs	Heap
Backlund	Burger	Dyke	Gruenes	Himle
Becklin	Carlson, D.	Erickson	Gutknecht	Jacobs
Bennett	Carlson, J.	Fjoslien	Halberg	Johnson
Bishop	Clausnitzer	Forsythe	Hartinger	Kalis
Blatz	Dempsey	Frederick	Hartle	Kiffmeyer
Boerboom	DenOuden	Frederickson	Haukoos	Knickerbocker

Krueger	Murphy	Quist	Seaberg	Tjornhom
Kvam	Omann	Redalen	Shaver	Tompkins
Levi	Onnen	Rees	Sherman	Uphus
Marsh	Ozment	Richter	Stanis	Valan
McDonald	Pauly	Rose	Svigum	Valento
McKasy	Piepho	Schafer	Thiede	Waltman
McPherson	Poppenhagen	Schreiber	Thorson	Spk. Jennings, D.
Miller				

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

Rice and Carlson, D., moved to amend H. F. No. 1639, as follows:

Page 4, after line 1, insert:

"The commissioner of transportation shall complete the lime sludge recycling and site restoration project on I-94 in North Minneapolis with state money appropriated from the trunk highway fund in this act, to the extent that the project is not fully funded by the federal highway administration. The amount expended from all funds must not exceed \$2,300,000.

The legislature finds that 12 northern counties in the state have been impacted more than other counties by the fall of acid rain and that as a result, the acidity of the soil in these counties is greater than in others. The legislature further finds that the state department of transportation owns approximately 100,000 cubic yards of lime sludge that would be highly effective as an agent to neutralize the acidity of the soil in these 12 northern counties, thus improving the condition of the soil for agricultural purposes. For these reasons, and because in several of these counties the residents have been severely adversely impacted by recent economic conditions, the legislature finds it would be highly appropriate and desirable to provide state funding to the commissioner of transportation to support the sale of the lime sludge in the counties of Chisago, Isanti, Mille Lacs, Kanabec, Pine, Carlton, Aitkin, St. Louis, Cook, Lake, Itaska, and Koochiching."

The motion prevailed and the amendment was adopted.

Krueger, Vanasek and Brown moved to amend H. F. No. 1639, as amended, as follows:

Page 27, after line 36, insert a new section to read:

"Sec. 27. [APPROPRIATION TRANSFER.] *The commissioner of finance shall reduce the general fund appropriations in sections 2 to 26 by \$160,000 the first year and \$160,000 the second year apportioning this reduction according to the percentage*

each department or agency represents to the total general fund budget concurrent with the transfer of such funds to the commissioner of agriculture for the purpose of providing farm financial crisis assistance programs."

A roll call was requested and properly seconded.

The question was taken on the Krueger et al. amendment and the roll was called.

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

There were 62 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Minne	Piper	Sparby
Battaglia	Jennings, L.	Munger	Price	Staten
Beard	Kahn	Murphy	Quinn	Tomlinson
Begich	Kalis	Nelson, D.	Rest	Tunheim
Brinkman	Kelly	Nelson, K.	Rice	Vanasek
Brown	Knuth	Neuenschwander	Riveness	Vellenga
Carlson, L.	Kostohryz	Norton	Rodosovich	Voss
Clark	Krueger	O'Connor	Sarna	Welle
Cohen	Lieder	Olson, E.	Scheid	Wenzel
Elioff	Long	Osthoff	Schoenfeld	Wynia
Ellingson	McEachern	Otis	Simoneau	
Greenfield	McLaughlin	Pappas	Skoglund	
Jacobs	Metzen	Peterson	Solberg	

Those who voted in the negative were:

Anderson, R.	DenOuden	Hartle	Olsen, S.	Seaberg
Backlund	Dinler	Haukoos	Omann	Shaver
Becklin	Dyke	Heap	Onnen	Stanis
Bennett	Erickson	Himle	Ozment	Sviggum
Bishop	Fjoslien	Johnson	Pauly	Thiede
Blatz	Forsythe	Kiffmeyer	Piepho	Thorson
Boerboom	Frederick	Knickerbocker	Poppenhagen	Tjornhom
Boo	Frederickson	Kvam	Quist	Tompkins
Burger	Frerichs	Levi	Redalen	Valan
Carlson, D.	Gruenes	Marsh	Rees	Valento
Carlson, J.	Gutknecht	McDonald	Richter	Waltman
Clausnitzer	Halberg	McPherson	Rose	Zaffke
Dempsey	Hartering	Miller	Schafer	Spk. Jennings, D.

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

Vanasek was excused for the remainder of today's session.

Valento; Carlson, J.; Sparby; O'Connor; Carlson, L.; Valan; Lieder; Sviggum; Dempsey; Bishop; Jennings, L.; Welle; Anderson, R.; Rodosovich; Elioff; Solberg; Jaros; Krueger; Beard; Quinn; Piepho; Peterson; Neuenschwander; McPherson; Clausnitzer; Pappas; Levi; Metzen; Frederickson; Begich; Green-

field; Brown; Anderson, G.; Brinkman; Thorson; Staten; Sherman; Tunheim; Olson, E.; Munger; Minne; Waltman; Battaglia; Kelly; Boerboom; Schoenfeld; Uphus; Norton; Kalis; Kostohryz; Voss; Piper and Stanius moved to amend H. F. No. 1639, as amended, as follows:

Page 42, line 16, place a period at the end of the line

Page 42, delete lines 17 through 27

Page 42, line 28, delete "served or consumed in the room."

A roll call was requested and properly seconded.

POINT OF ORDER

Gutknecht raised a point of order pursuant to article XIII, section 5, of the Minnesota Constitution and section 242, paragraph 1, of "Mason's Manual of Legislative Procedure" that the Valento et al. amendment was not in order.

The Speaker pro tempore Halberg submitted the following question to the House: "Is it the judgment of the House that the Gutknecht point of order is well taken?"

A roll call was requested and properly seconded.

The question was taken on the Gutknecht point of order and the roll was called.

Pursuant to rule 2.5, Rodosovich requested that he be excused from voting on the Gutknecht point of order relating to the Valento et al. amendment to H. F. No. 1639, as amended. The request was granted.

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

There were 34 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Burger	Gutknecht	Miller	Richter	Tjornhom
DenOuden	Hartinger	Onnen	Rose	Tompkins
Dimler	Heap	Osthoff	Sarna	Vellenga
Erickson	Kiffmeyer	Poppenhagen	Seaberg	Waltman
Fjoslien	Kvam	Quist	Shaver	Wenzel
Forsythe	Marsh	Redalen	Sviggum	Zaffke
Frerichs	McDonald	Rice	Thiede	

Those who voted in the negative were:

Anderson, G.	Dyke	Knuth	Olsen, S.	Segal
Anderson, R.	Elioff	Kostohryz	Olson, E.	Sherman
Backlund	Ellingson	Krueger	Omann	Simoneau
Battaglia	Frederick	Levi	Otis	Skoglund
Beard	Frederickson	Lieder	Ozment	Solberg
Becklin	Greenfield	Long	Pappas	Sparby
Begich	Gruenes	McEachern	Pauly	Stanis
Bennett	Halberg	McKasy	Peterson	Thorson
Bishop	Hartle	McLaughlin	Piepho	Tomlinson
Blatz	Haukoos	McPherson	Piper	Tunheim
Boo	Himle	Metzen	Price	Uphus
Brinkman	Jacobs	Minne	Quinn	Valan
Brown	Jaros	Munger	Rees	Valento
Carlson, D.	Jennings, L.	Murphy	Rest	Voss
Carlson, J.	Johnson	Nelson, D.	Riveness	Welle
Carlson, L.	Kahn	Nelson, K.	Schafer	Spk. Jennings, D.
Clausnitzer	Kalis	Neuenschwander	Scheid	
Cohen	Kelly	Norton	Schoenfeld	
Dempsey	Knickerbocker	O'Connor	Schreiber	

So it was the judgment of the House that the Gutknecht point of order was not well taken.

The Speaker resumed the Chair.

The question recurred on the Valento et al. amendment and the roll was called.

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

There were 56 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Krueger	Otis	Sparby
Anderson, R.	Elioff	Lieder	Pappas	Stanis
Battaglia	Frederickson	McLaughlin	Peterson	Thorson
Beard	Greenfield	Metzen	Piepho	Tunheim
Begich	Halberg	Minne	Piper	Valan
Bennett	Jaros	Munger	Price	Valento
Bishop	Jennings, L.	Murphy	Quinn	Voss
Boerboom	Kahn	Nelson, K.	Riveness	Welle
Brinkman	Kalis	Neuenschwander	Rodosovich	
Brown	Kelly	Norton	Schoenfeld	
Carlson, J.	Knuth	O'Connor	Simoneau	
Cohen	Kostohryz	Omann	Solberg	

Those who voted in the negative were:

Backlund	Dyke	Gutknecht	Kiffmeyer	McKasy
Becklin	Ellingson	Hartinger	Knickerbocker	McPherson
Blatz	Erickson	Hartle	Kvam	Miller
Burger	Fjoslien	Haukoos	Levi	Nelson, D.
Carlson, D.	Forsythe	Heap	Long	Olsen, S.
Clark	Frederick	Himle	Marsh	Olson, E.
DenOuden	Frerichs	Jacobs	McDonald	Onnen
Dimler	Gruenes	Johnson	McEachern	Osthoff

Ozment	Rest	Scheid	Sviggum	Vellenga
Pauly	Rice	Schreiber	Thiede	Waltman
Poppenhagen	Richter	Seaberg	Tjornhom	Wenzel
Quist	Rose	Shaver	Tomlinson	Zaffke
Redalen	Sarna	Sherman	Tompkins	Spk. Jennings, D.
Rees	Schafer	Skoglund	Uphus	

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

Olson, E., was excused for the remainder of today's session.

Olsen, S., moved to amend H. F. No. 1639, as amended, as follows:

Page 11, line 6, delete everything after "1985"

Page 11, line 7, delete "portion is" and insert ", and are"

Page 11, line 9, delete everything after "expenditure"

Page 11, delete lines 10 to 12

Page 11, line 13, delete "the biennium,"

Page 11, line 14, delete "and this section"

Page 11, after line 14, insert:

"Of this appropriation, \$4,000,000 is appropriated to the regional transit board for purposes of predesign and pre-engineering for a light rail transit system for the three corridors of University Avenue, the Southwest corridor and the Hiawatha corridor."

Page 68, delete lines 31 to 36

Page 69, delete lines 1 to 36

Page 70, delete lines 1 to 19

Renumber sections and correct internal references

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called.

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

There were 15 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Nelson, K.	Osthoff	Scheid
Bishop	Kalis	Norton	Pappas	Segal
Elioff	Kostohryz	Olsen, S.	Piper	Vellenga

Those who voted in the negative were:

Anderson, R.	Dyke	Knuth	Peterson	Solberg
Backlund	Ellingson	Krueger	Picpho	Sparby
Battaglia	Erickson	Kvam	Poppenhagen	Stanis
Beard	Fjoslien	Levi	Price	Staten
Becklin	Forsythe	Lieder	Quinn	Sviggum
Begich	Frederick	Long	Quist	Thiede
Bennett	Frederickson	Marsh	Redalen	Thorson
Blatz	Greenfield	McDonald	Rees	Tjornhom
Boerboom	Gruenes	McEachern	Rest	Tomlinson
Boo	Gutknecht	McLaughlin	Rice	Tompkins
Brinkman	Halberg	McPherson	Richter	Tunheim
Brown	Hartinger	Metzen	Rivness	Valan
Burger	Haukoos	Miller	Rodosovich	Valento
Carlson, D.	Heap	Minne	Sarna	Voss
Carlson, J.	Himle	Murphy	Schafer	Waltman
Carlson, L.	Jacobs	Nelson, D.	Schoenfeld	Welle
Clark	Jennings, L.	Neuenschwander	Schreiber	Wenzel
Clausnitzer	Johnson	O'Connor	Seaberg	Wynia
Cohen	Kahn	Onnen	Shaver	Zaffke
Dempsey	Kelly	Otis	Sherman	Spk. Jennings, D.
DenOuden	Kiffmeyer	Ozment	Simoneau	
Dimler	Knickerbocker	Pauly	Skoglund	

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

Osthoff and O'Connor moved to amend H. F. No. 1639, as amended, as follows:

Add a section to read:

"Sec. 32. [OPINION DIRECTED.]

The attorney general is directed to issue to the speaker of the house and the president of the senate, not later than January 15, 1986, his opinion on the following question: "Does Minnesota Statutes 1984, sections 349.12 to 349.22, as amended by article 2, sections 30 to 53, violate article XIII, section 5 of the Minnesota Constitution?"

Renumber the remaining sections

Correct internal references

The motion prevailed and the amendment was adopted.

H. F. No. 1639, A bill for an act relating to state government; appropriating money to the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; prescribing funds, accounts, bonding, and fees; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 17.101, subdivision 2; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11; 25.39, subdivision 4; 138.94; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 299A.01, subdivision 6; 340.14, subdivision 2; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.14; 349.151; 349.16; 349.161; 349.162; 349.17; 349.18, subdivisions 1 and 2; 349.19, subdivisions 5, 6, and by adding a subdivision; 349.20; 349.21; 349.211, subdivisions 3 and 4; 349.213, subdivision 1; 349.214, subdivisions 1 and 2; 349.22, subdivision 2; 349.31, subdivision 1; 352D.02, subdivision 1; 360.024; 473.373, subdivision 4; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 6; 473.386, subdivision 2; 473.388; 473.39; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.446, subdivisions 1, 1a, 2a, and 3; 609.75, subdivision 3; 609.761; proposing coding for new law in Minnesota Statutes, chapters 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 297C; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 349.19, subdivision 4; 349.212; 349.213, subdivision 2; 473.373, subdivisions 2 and 7; 473.384, subdivision 7; 473.408, subdivisions 3, 3A, 3B, and 5; 473.436; 473.438; and 473.446, subdivision 6.

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.

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

There were 105 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Frerichs	Kiffmeyer	Munger
Anderson, R.	Carlson, J.	Gruenes	Knickerbocker	Nelson, K.
Backlund	Carlson, L.	Gutknecht	Knuth	Neuenschwander
Battaglia	Clark	Halberg	Krueger	O'Connor
Beard	Clausnitzer	Hartinger	Kvam	Olsen, S.
Becklin	Dempsey	Hartle	Levi	Omann
Begich	DenOuden	Haukoos	Lieder	Onnen
Bennett	Dimler	Heap	Marsh	Otis
Bishop	Dyke	Himle	McDonald	Ozment
Blatz	Erickson	Jacobs	McEachern	Pauly
Boerboom	Fjoslien	Jaros	McKasy	Peterson
Boo	Forsythe	Jennings, L.	McPherson	Piepho
Brown	Frederick	Johnson	Metzen	Piper
Burger	Frederickson	Kalis	Miller	Poppenhagen

Quinn	Rodosovich	Seaberg	Swiggum	Valan
Quist	Rose	Segal	Thiede	Valento
Redalen	Sarna	Shaver	Thorson	Vellenga
Rees	Schafer	Sherman	Tjornhom	Waltman
Rest	Scheid	Solberg	Tompkins	Wenzel
Rice	Schoenfeld	Sparby	Tunheim	Zaffke
Richter	Schreiber	Stanis	Uphus	Spk. Jennings, D.

Those who voted in the negative were :

Brinkman	Kahn	Minne	Pappas	Staten
Cohen	Kelly	Murphy	Price	Tomlinson
Elioff	Kostohryz	Nelson, D.	Riveness	Voss
Ellingson	Long	Norton	Simoneau	Welle
Greenfield	McLaughlin	Osthoff	Skoglund	Wynia

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 78:

Staten, McLaughlin and Clark.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 459:

Vanasek, Bishop and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 674:

Clausnitzer, Skoglund and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 756:

Schreiber, Dempsey, McKasy, Kvam and Himle.

The Speaker called Halberg to the Chair.

H. F. No. 1641 was reported to the House.

DenOuden moved to amend H. F. No. 1641, as follows:

Page 2, line 21, delete "\$6,195,000" and insert "\$3,435,000"

Page 2, line 22, delete "31,894,000" and insert "31,227,300" and delete "31,841,800" and insert "31,175,100" and delete "63,735,800" and insert "62,402,400"

Page 2, line 25, before "8,148,200" and under the column headed "1985" insert "650,000"

Page 2, line 32, delete "\$6,195,000 \$546,173,600 \$562,336,-100 \$1,108,509,700" and insert "\$4,085,000 \$545,506,900 \$561,-669,400 \$1,107,176,300"

The motion prevailed and the amendment was adopted.

DenOuden moved to amend to H. F. No. 1641, as amended, as follows:

Page 22, line 23, after the period insert "The 911 implementation fund is established in the state treasury. \$1,600,000 is transferred to the 911 implementation fund from unencumbered money in the economic development fund created by Minnesota Statutes, section 116M.06, subdivision 4."

The motion prevailed and the amendment was adopted.

Carlson, D., and Neuenschwander moved to amend H. F. No. 1641, as amended, as follows:

Page 82, line 16, after the period insert a sentence to read as follows:

"Jobs involving the harvesting of raw timber to be processed or utilized by a facility are considered to be directly connected with the facility."

The motion prevailed and the amendment was adopted.

Olsen, S.; Burger; Dimler and Kostohryz moved to amend H. F. No. 1641, as amended, as follows:

Page 39, delete lines 48 through 55

Page 40, delete lines 1 and 2

The motion prevailed and the amendment was adopted.

Rees, Valento, Knickerbocker, Voss, Dimler, Clausnitzer, Ozment and McDonald moved to amend H. F. No. 1641, as amended, as follows:

Page 112, after line 16, insert:

"Sec. 168. Minnesota Statutes 1984, section 473.123, subdivision 5, is amended to read:

Subd. 5. [METROPOLITAN COUNCIL; DUTIES AND COMPENSATION.] The metropolitan council shall elect such officers as it deems necessary for the conduct of its affairs other than the chairman. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the chairman thereof. Each metropolitan council member other than the chairman shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the metropolitan council, and shall be reimbursed for his reasonable expenses. *The annual budget of the council shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.*

In the performance of its duties the metropolitan council may promulgate rules governing its operation, establish committees, divisions, departments and bureaus and staff the same as necessary to carry out its duties and when specifically authorized by law make appointments to other governmental agencies and districts. All officers and employees of the metropolitan council shall serve at the pleasure of the appointing authority in the unclassified service of the state civil service. Rules promulgated by the metropolitan council shall be in accordance with the administrative procedure provisions contained in chapter 14.

Sec. 169. Minnesota Statutes 1984, section 473.129, subdivision 2, is amended to read:

Subd. 2. [OFFICERS AND EMPLOYEES.] The metropolitan council may prescribe (ALL) terms and conditions for the employment of its officers, employees, and agents including but not limited to the fixing of compensation, their classification, benefits, and the filing of performance and fidelity bonds and such policies of insurance as it may deem advisable, the premium for which, however, shall be paid for by the district. *Compensation and benefits prescribed for officers and employees shall be comparable to the compensation and benefits prescribed for state employees pursuant to chapter 43A.* Officers and employees of the metropolitan council, however, are public employees. (THE COMPENSATION AND OTHER CONDITIONS OF EMPLOYMENT OF SUCH OFFICERS AND EMPLOYEES SHALL NOT BE GOVERNED BY ANY RULE APPLICABLE TO STATE EMPLOYEES IN THE CLASSIFIED SERVICE NOR TO ANY OF THE PROVISIONS OF CHAPTER 15A, UNLESS THE COUNCIL SO PROVIDES.) Those employed

by the metropolitan council are members of the Minnesota state retirement system. Those employed by a predecessor of the metropolitan council and transferred to it may at their option become members of the Minnesota state retirement system or may continue as members of the public retirement association to which they belonged as employees of the predecessor of the metropolitan council. The metropolitan council shall make the employer's contributions to pension funds of its employees.

Sec. 170. Minnesota Statutes 1984, section 473.141, subdivision 7, is amended to read:

Subd. 7. [COMPENSATION.] Each commission member shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of his duties in the same manner and amount as state employees. The chairman shall receive a salary in an amount fixed by section 15A.081 and shall be reimbursed for reasonable expenses to the same extent as a member; provided that the chairman of the metropolitan sports facilities commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. *The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.*

Sec. 171. Minnesota Statutes 1984, section 473.141, subdivision 12, is amended to read:

Subd. 12. [PUBLIC EMPLOYEES.] All persons employed by the chief administrator shall be public employees, and shall have all rights and duties conferred on public employees under sections 179A.01 to 179A.25. The compensation and (OTHER CONDITIONS OF EMPLOYMENT OF SUCH EMPLOYEES SHALL NOT BE GOVERNED BY ANY RULE APPLICABLE TO STATE EMPLOYEES IN THE CLASSIFIED SERVICE NOR TO ANY OF THE PROVISIONS OF CHAPTER 15A, UNLESS THE COUNCIL SO PROVIDES) *benefits of all employees of the commission shall be comparable to the compensation and benefits prescribed for state employees pursuant to chapter 43A.* All employees of the commission shall be members of the Minnesota state retirement system, except that employees, who by reason of their prior employment belonged to another public retirement association in the state of Minnesota, may at their option continue membership in that public retirement association, and all other rights to which they are entitled by contract or law. Tradesmen employed by the metropolitan waste control commission with trade union pension coverage

pursuant to a collective bargaining agreement who elected exclusion from coverage pursuant to section 473.512 or who are first employed after July 1, 1977 shall not be covered by the Minnesota state retirement system. The commission shall make the employer's contributions to pension funds of its employees. Employees shall perform such duties as may be prescribed by the commission. Nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415.

Sec. 172. Minnesota Statutes 1984, section 473.605, subdivision 2, is amended to read:

Subd. 2. Each commission member shall be paid a per diem compensation of \$50 for each meeting of the commission, one of its committees, and attendance and participation at a meeting or hearing as a representative of the commission pursuant to state law or rule. Members shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties in the same manner and amount as state employees. The chairman shall receive compensation as determined by the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The mayors and members of the city councils of Minneapolis and St. Paul shall not be eligible for per diem compensation. *The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.*"

Page 112, after line 26, insert:

"Sec. 174. Minnesota Statutes 1984, section 473.606, subdivision 5, is amended to read:

Subd. 5. The corporation shall have the power to appoint engineers and other consultants, attorneys, and such other officers, agents, and employees as it may see fit, who shall perform such duties and receive such compensation as the corporation may determine, and be removable at the pleasure of the corporation. *The compensation and benefits for all employees of the commission shall be comparable to the compensation or benefits prescribed for state employees pursuant to chapter 43A.* The corporation shall adopt an affirmative action plan, which shall be submitted to the appropriate agency or office of the state for review and approval. The plan shall include a yearly progress report to the agency or office. Officers and employees of the corporation who cannot qualify and participate in the municipal employees retirement fund under chapter 422A, shall be separated from service at the retirement age applicable to officers or employees of the state of Minnesota in the classified service of the state civil service as provided in section 43A.34, or as the same may from time to time be

amended, regardless of the provisions of the veteran's preference act. Whenever the corporation performs any work within the limits of a city of the first class, or establishes a minimum wage for skilled or unskilled labor in the specifications or any contract for work within one of the cities, the rate of pay to such skilled and unskilled labor shall be the prevailing rate of wage for such labor in that city.

Sec. 175. Minnesota Statutes 1984, section 473.704, is amended by adding a subdivision to read:

Subd. 18. The compensation and benefits for all employees of the commission shall be comparable to the compensation and benefits prescribed for state employees pursuant to chapter 43A.

Sec. 176. Minnesota Statutes 1984, section 473.714, is amended to read:

473.714 [COMPENSATION OF COMMISSIONERS.]

Each commissioner, including the officers of the commission shall be reimbursed for his actual and necessary expenses incurred in the performance of his duties. The chairman shall be paid a per diem for attending meetings, monthly, executive, and special, and each commissioner shall be paid a per diem for attending meetings, monthly, executive, and special, which per diem shall be established by the commission, such expense reimbursement and per diem notwithstanding any other funds which such commissioners may receive from any other public body. *The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman or members only when budgeted.*"

Page 118, after line 34, insert:

"Sec. 184. [APPLICATION.]

Sections 168 to 172 and 174 to 176 are effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 7, after the second semicolon insert "providing for the compensation of metropolitan government personnel;"

Page 1, line 37, after the semicolon insert "473.123, subdivision 5; 473.129, subdivision 2; 473.141, subdivisions 7 and 12; 473.605, subdivision 2;"

Page 1, line 38, delete the first "subdivision" and insert "subdivisions" and after "1" insert "and 5"

Page 1, line 38, after the first semicolon insert "473.704, by adding a subdivision; 473.714;"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

McDonald, Rees and Tunheim moved to amend H. F. No. 1641, as amended, as follows:

Page 20, delete lines 3 to 7

Page 76, delete lines 11 to 15 and insert:

"Sec. 116. Minnesota Statutes 1984, section 115A.21, subdivision 1, is amended to read:

Subdivision 1. [SELECTION.] *Unless the board determines that all sites are unacceptable,* the board shall select 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 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. 117. Minnesota Statutes 1984, section 115A.24, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATE OF NEED FOR DISPOSAL FACILITIES.] The board (SHALL) *may* develop an estimate of the number, types, capacity, and function or use of any hazardous waste disposal facilities needed in the state.

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 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. Economic considerations alone may not justify an estimate of need for disposal nor the rejection of alternatives. Alternatives that are speculative and conjectural are not 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."

Page 119, line 4, delete "115A.05,"

Page 119, delete line 5

Renumber the sections in sequence and correct internal cross-references

Amend the title as follows:

Page 1, line 25, delete "115.03,"

Page 1, line 26, delete "by adding a subdivision;" and after "1;" insert "115A.21, subdivision 1; 115A.24, subdivision 1;"

Page 2, line 1, delete everything after the second semicolon

Page 2, delete line 2

A roll call was requested and properly seconded.

The question was taken on the McDonald et al. amendment and the roll was called.

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

There were 44 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Krueger	Pauly	Tjornhom
Begich	Ellingson	Marsh	Quist	Tunheim
Boerboom	Erickson	McDonald	Redalen	Uphus
Burger	Fjoslien	Metzen	Rees	Valan
Carlson, J.	Gutknecht	Minne	Richter	Valento
Clark	Halberg	Neuenschwander	Sarna	Voss
Clausnitzer	Hartle	O'Connor	Schafer	Waltman
Dimler	Johnson	Onnen	Solberg	Wenzel
Dyke	Kiffmeyer	Ozment	Sparby	

Those who voted in the negative were:

Anderson, G.	Frederick	Levi	Peterson	Sherman
Anderson, R.	Frederickson	Lieder	Piepho	Simoneau
Backlund	Frerichs	Long	Piper	Skoglund
Beard	Greenfield	McEachern	Poppenhagen	Stanius
Becklin	Gruenes	McKasy	Price	Staten
Bennett	Hartinger	McLaughlin	Quinn	Thiede
Bishop	Haukoos	McPherson	Rest	Thorson
Blatz	Himle	Miller	Rice	Tomlinson
Boo	Jacobs	Munger	Riveness	Tompkins
Brinkman	Jennings, L.	Murphy	Rodosovich	Vellenga
Brown	Kahn	Nelson, D.	Rose	Welle
Carlson, D.	Kalis	Nelson, K.	Scheid	Wynia
Carlson, L.	Kelly	Norton	Schoenfeld	Zaffke
Cohen	Knickerbocker	Omann	Schreiber	
Dempsey	Knuth	Osthoff	Seaberg	
DenOuden	Kostohryz	Otis	Segal	
Forsythe	Kvam	Pappas	Shaver	

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

Kahn moved to amend H. F. No. 1641, as amended, as follows:

Page 110, after line 30, insert:

"Sec. 164. Minnesota Statutes 1984, section 403.11, is amended to read:

403.11 [SYSTEM COSTS.]

Subdivision 1. [(ANNUAL RECURRING COSTS) EMERGENCY TELEPHONE SERVICE FUND.] (ALL ANNUAL

RECURRING COSTS OF A PUBLIC UTILITY INCURRED IN THE MAINTENANCE OF TRUNKING AND CENTRAL OFFICE OUTSWITCHING EQUIPMENT FOR MINIMUM 911 SERVICE SHALL BE PAID FROM THE GENERAL FUND OF THE STATE TREASURY BY APPROPRIATIONS FOR THAT PURPOSE.) *A special revenue fund to be known as the 911 emergency telephone service fund is created. The fund must be used to pay for: (1) ongoing maintenance costs and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service; (2) administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program; and (3) state costs related to administering the emergency telephone service fund. Fund receipts must be submitted to the department of administration as provided in this section, deposited in the state treasury, credited to the 911 emergency telephone service fund, and appropriated annually to the commissioner of administration for the purposes of this section. Any amount remaining in the 911 emergency telephone service fund at the end of a fiscal year does not cancel, but is available for the next fiscal year.*

Subd. 2. [MODIFICATION COSTS.] The costs of a public utility incurred in the modification of central office switching equipment for minimum 911 service shall be paid from the general fund of the state treasury by appropriations for that purpose. *Any remaining unexpended appropriation from the general fund for this purpose does not cancel but remains available until expended.*

Subd. 3. [METHOD OF PAYMENT; CERTIFICATION.] A public utility incurring reimbursable costs under subdivision 1 or 2 shall certify those costs to the commissioner of administration. The certification shall be in a form as prescribed by the commissioner after consultation with the public utilities commission. If the commissioner and the commission approve the certified costs as appropriate and accurate, the commissioner shall pay the certified costs from *the 911 emergency telephone service fund or from money appropriated for that purpose within 90 days following receipt by the commissioner of the certified costs. The commissioner of administration shall estimate the amount required to reimburse public utilities for the state's obligations under subdivisions 1 and 2 and the governor shall include the estimated amount in the biennial budget request.*

Subd. 4. [LOCAL RECURRING COSTS.] Recurring costs of telephone communications equipment and services at public safety answering points shall be borne by the local governmental unit operating the public safety answering point or allocated pursuant to section 403.10, subdivision 3. Costs attributable to local government electives for services beyond minimum 911 service shall be borne by the governmental unit requesting the elective service.

Subd. 5. [EMERGENCY TELEPHONE SERVICE FEE.]

(a) *Each customer of a local exchange company shall be assessed an emergency telephone service fee after emergency telephone service has been established.*

(b) *The fee may not be less than ten cents nor more than 25 cents per month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. This fee shall be calculated by the commissioner of administration and shall be uniform throughout the state.*

(c) *The fee must be collected by each utility providing local exchange telephone service beginning July 1, 1985. Fees are payable to and must be submitted to the department of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 per month is due, or annually if less than \$25 per month is due.*

(d) *The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the utilities of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes."*

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 2, line 7, after "1;" insert "403.11;"

A roll call was requested and properly seconded.

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

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

There were 63 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Erickson	Knuth	Minne
Backlund	Carlson, L.	Greenfield	Kostohryz	Munger
Battaglia	Clark	Gruenes	Krueger	Murphy
Beard	Clausnitzer	Gutknecht	Lieder	Nelson, D.
Becklin	Cohen	Jaros	Long	Nelson, K.
Brown	Elioff	Jennings, L.	Marsh	Norton
Burger	Ellingson	Kahn	McLaughlin	Olsen, S.

Osthoff	Poppenhagen	Riveness	Sherman	Tompkins
Otis	Price	Rodosovich	Skoglund	Vellenga
Ozment	Quist	Scheid	Solberg	Voss
Pappas	Rees	Schoenfeld	Staten	Wynia
Peterson	Rest	Seaberg	Tjornhom	
Piper	Rice	Segal	Tomlinson	

Those who voted in the negative were:

Anderson, R.	Fjoslien	Kelly	Omamn	Stanius
Begich	Forsythe	Kiffmeyer	Onnen	Sviggum
Bennett	Frederick	Knickerbocker	Pauly	Thiede
Bishop	Frederickson	Kvam	Piepho	Thorson
Blatz	Frerichs	Levi	Redalen	Tunheim
Boerboom	Halberg	McDonald	Richter	Uphus
Boo	Hartinger	McEachern	Rose	Valan
Brinkman	Hartle	McKasy	Sarna	Valento
Carlson, J.	Haukoos	McPherson	Schafer	Waltman
Dempsey	Himle	Metzen	Schreiber	Welle
DenOuden	Jacobs	Miller	Shaver	Wenzel
Dimler	Johnson	Neuenschwander	Simoneau	Zafike
Dyke	Kalis	O'Connor	Sparby	Spk. Jennings, D.

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

The Speaker called Halberg to the Chair.

Elioff moved to amend H. F. No. 1641, as amended, as follows:

Page 74, lines 1 to 3, delete the new language

Pages 74 and 75, delete section 113

Renumber the remaining sections

Correct the internal references

Amend the title as follows:

Page 1, line 25, delete "98.47, subdivision 1;"

A roll call was requested and properly seconded.

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

Levi moved that those not voting be excused from voting. The motion did not prevail.

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

There were 65 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Munger	Piper	Skoglund
Beard	Jaros	Murphy	Price	Solberg
Begich	Kalis	Nelson, D.	Quinn	Sparby
Brinkman	Kelly	Nelson, K.	Rest	Staten
Brown	Knuth	Neuenschwander	Rice	Tomlinson
Carlson, L.	Kostohryz	Norton	Richter	Tompkins
Clark	Krueger	O'Connor	Riveness	Tunheim
Cohen	Lieder	Olsen, S.	Rodosovich	Uphus
Elioff	Marsh	Olson, E.	Sarna	Vellenga
Ellingson	McEachern	Omann	Schoenfeld	Voss
Fjoslien	McLaughlin	Otis	Segal	Welle
Greenfield	Metzen	Pappas	Sherman	Wenzel
Halberg	Minne	Peterson	Simoneau	Wynia

Those who voted in the negative were:

Anderson, R.	Dempsey	Himle	Osthoff	Shaver
Backlund	DenOuden	Jennings, L.	Ozment	Stanius
Battaglia	Dimler	Johnson	Pauly	Sviggum
Becklin	Erickson	Kahn	Piepho	Thiede
Bennett	Forsythe	Kiffmeyer	Poppenhagen	Thorson
Bishop	Frederick	Knickerbocker	Quist	Valan
Blatz	Frederickson	Kvam	Redalen	Valento
Boerboom	Frerichs	Levi	Rees	Waltman
Boo	Gruenes	McDonald	Rose	Zaffke
Burger	Gutknecht	McKasy	Schafer	Spk. Jennings, D.
Carlson, D.	Hartinger	McPherson	Scheid	
Carlson, J.	Hartle	Miller	Schreiber	
Clausnitzer	Haukoos	Onnen	Seaberg	

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

POINT OF ORDER

Norton raised a point of order pursuant to rule 3.12 relating to amendments to appropriations bills. The Speaker pro tempore Halberg ruled the Norton point of order not well taken.

Norton appealed the decision of the Chair.

A roll call was requested and properly seconded.

POINT OF ORDER

Levi raised a point of order pursuant to section 126, paragraph 3, of "Mason's Manual of Legislative Procedure" relating to complaints against the presiding officer. The Speaker pro tempore Halberg ruled the point of order not well taken.

Norton withdrew his appeal of the decision of the Chair.

POINT OF ORDER

Anderson, G., raised a point of order pursuant to section 527 of "Mason's Manual of Legislative Procedure" relating to cor-

recting the vote. The Speaker pro tempore Halberg ruled the point of order well taken and the Eliooff amendment to H. F. No. 1641, as amended, was again reported to the House, as follows:

Page 74, lines 1 to 3, delete the new language

Pages 74 and 75, delete section 113

Renumber the remaining sections

Correct the internal references

Amend the title as follows:

Page 1, line 25, delete "98.47, subdivision 1;"

A roll call was requested and properly seconded.

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

Levi moved that those not voting be excused from voting. The motion did not prevail.

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

There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Minne	Price	Sparby
Beard	Jaros	Munger	Quinn	Staten
Begich	Jennings, L.	Murphy	Rest	Tjornhom
Brandl	Kalis	Nelson, D.	Rice	Tomlinson
Brinkman	Kelly	Nelson, K.	Riveness	Tunheim
Brown	Knuth	Neuenschwander	Rodosovich	Vellenga
Carlson, L.	Kostohryz	Norton	Sarna	Voss
Clark	Krueger	O'Connor	Scheid	Welle
Cohen	Lieder	Omman	Schoenfeld	Wenzel
Dyke	Long	Otis	Segal	Wynia
Eliooff	McEachern	Pappas	Simoneau	
Ellingson	McLaughlin	Peterson	Skoglund	
Greenfield	Metzen	Piper	Solberg	

Those who voted in the negative were:

Anderson, R.	Burger	Frederick	Heap	McDonald
Backlund	Carlson, D.	Frederickson	Himle	McKasy
Battaglia	Carlson, J.	Frerichs	Johnson	McPherson
Becklin	Clausnitzer	Gruenes	Kahn	Miller
Bennett	Dempsey	Gutknecht	Kiffmeyer	Olsen, S.
Bishop	DonOuden	Halberg	Knickerbocker	Onnen
Blatz	Dimler	Hartinger	Kvam	Osthoff
Boerboom	Erickson	Hartle	Levi	Ozment
Boo	Forsythe	Haukoos	Marsh	Pauly

Piepho
Poppenhagen
Quist
Redalen
Rees

Richter
Rose
Schafer
Schreiber
Seaberg

Shaver
Sherman
Stanius
Sviggum

Thiede
Thorson
Tompkins
Valan

Valento
Waltman
Zaffke
Spk. Jennings, D.

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

The Speaker resumed the Chair.

O'Connor, Pappas and Clark moved to amend H. F. No. 1641, as amended, as follows:

Page 81, line 19, delete "is" and insert "are (1)"

Page 81, line 24, after "areas" insert "; and (2) to encourage economic development by supporting community development corporations"

Page 81, after line 33, insert:

"Subd. 3. "Community development corporation" means a corporation established under section 116M.04."

Renumber subsequent subdivisions

Page 82, line 22, after the period insert: "*Project*" also includes projects sponsored by a community development corporation and approved by the energy and economic development authority."

Page 86, after line 17, insert: "(17) to make grants or loans to community development corporations established under section 116M.04 to fund projects sponsored by those corporations."

Renumber subsequent clause

Page 88, line 11, after the period insert: "*The limitations of this clause do not apply to grants or loans to community development corporations.*"

A roll call was requested and properly seconded.

The question was taken on the O'Connor et al. amendment and the roll was called.

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

There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were :

Anderson, G.	Jacobs	Metzen	Quinn	Staten
Battaglia	Jennings, L.	Minne	Rest	Thorson
Beard	Kahn	Murphy	Rice	Tomlinson
Begich	Kalis	Nelson, D.	Riveness	Tunheim
Brandl	Kelly	Nelson, K.	Rodosovich	Vellenga
Brinkman	Knickerbocker	Norton	Sarna	Voss
Brown	Knuth	O'Connor	Scheid	Welle
Carlson, L.	Kostohryz	Osthoff	Schoenfeld	Wenzel
Clark	Krueger	Otis	Segal	Wynia
Cohen	Lieder	Pappas	Simoneau	
Elioff	Long	Peterson	Skoglund	
Ellingson	McEachern	Piper	Solberg	
Greenfield	McLaughlin	Price	Sparby	

Those who voted in the negative were :

Anderson, R.	Dimler	Heap	Omann	Shaver
Backlund	Dyke	Himle	Onnen	Sherman
Becklin	Erickson	Jaros	Ozment	Stanis
Bennett	Fjoslien	Johnson	Pauly	Sviggum
Bishop	Forsythe	Kiffmeyer	Piepho	Thiede
Blatz	Frederick	Kvam	Poppenhagen	Tjornhom
Boerboom	Frederickson	Levi	Quist	Tompkins
Boo	Frerichs	Marsh	Redalen	Uphus
Burger	Gruenes	McDonald	Rees	Valan
Carlson, D.	Gutknecht	McKasy	Richter	Valento
Carlson, J.	Halberg	McPherson	Rose	Waltman
Clausnitzer	Hartinger	Miller	Schafer	Zaffke
Dempsey	Hartle	Munger	Schreiber	Spk. Jennings, D.
DenOuden	Haukoos	Olsen, S.	Seaberg	

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

McDonald, Rees and Tunheim moved to amend H. F. No. 1641, as amended, as follows :

Page 20, delete lines 3 to 7

Page 76, delete lines 11 to 15 and insert :

Page 119, line 4, delete "115A.05,"

Amend the title as follows :

Page 1, line 25, delete "115.03,"

Page 1, line 26, delete "by adding a subdivision;" and after "1;" insert "115A.21, subdivision 1; 115A.24, subdivision 1;"

Page 2, line 1, delete everything after the second semicolon

Page 2, delete line 2

A roll call was requested and properly seconded.

POINT OF ORDER

Wynia raised a point of order pursuant to section 398, paragraph 2, of "Mason's Manual of Legislative Procedure" relating to decisions on amendments as final, that the McDonald amendment was not in order. The Speaker ruled the Wynia point of order not well taken and the McDonald amendment in order.

The question recurred on the McDonald et al. amendment and the roll was called.

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

There were 37 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Battaglia	Frederick	Murphy	Redalen	Uphus
Beard	Gutknecht	Neuenschwander	Rees	Valan
Begich	Hartinger	Olsen, S.	Richter	Voss
Boo	Johnson	Omann	Schafer	Waltman
Burger	Marsh	Onnen	Solberg	Wenzel
Elioff	McDonald	Ozment	Sparby	
Erickson	Metzen	Pauly	Thiede	
Fjoslien	Minne	Quinn	Tunheim	

Those who voted in the negative were:

Anderson, G.	Dyke	Kostohryz	Piper	Skoglund
Anderson, R.	Ellingson	Krueger	Poppenhagen	Stanis
Backlund	Forsythe	Kvam	Price	Staten
Becklin	Frederickson	Levi	Quist	Svigum
Bennett	Greenfield	Lieder	Rest	Thorson
Bishop	Gruenes	Long	Rice	Tjornhom
Blatz	Halberg	McLaughlin	Riveness	Tomlinson
Boerboom	Hartle	McPherson	Rodosovich	Tompkins
Brandl	Haukoos	Miller	Rose	Valento
Brown	Heap	Nelson, D.	Scheid	Vellenga
Carlson, D.	Himle	Nelson, K.	Schoenfeld	Welle
Carlson, J.	Jaros	Norton	Schreiber	Wynia
Carlson, L.	Jennings, L.	Osthoof	Seaberg	Zaffke
Clark	Kahn	Otis	Segal	Spk. Jennings, D.
Clausnitzer	Kelly	Pappas	Shaver	
Cohen	Kiffmeyer	Peterson	Sherman	
Dempsey	Knuth	Piepho	Simoneau	

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

Begich moved to amend H. F. No. 1641, as amended, as follows:

Page 60, line 27, reinstate "\$10" and delete "\$15"

A roll call was requested and properly seconded.

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

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

There were 57 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jennings, L.	Murphy	Price	Sparby
Beard	Kalis	Nelson, D.	Quinn	Staten
Begich	Kelly	Nelson, K.	Rest	Tomlinson
Brinkman	Knuth	Neuenschwander	Rice	Tunheim
Carlson, L.	Kostohryz	Norton	Riveness	Vellenga
Clark	Lieder	O'Connor	Rodosovich	Voss
Elioff	Long	Omann	Sarna	Welle
Ellingson	McEachern	Osthoff	Scheid	Wenzel
Fjoslien	McLaughlin	Otis	Schoenfeld	Wynia
Greenfield	Metzen	Pappas	Segal	
Jacobs	Minne	Peterson	Simoneau	
Jaros	Munger	Piper	Solberg	

Those who voted in the negative were:

Anderson, R.	Cohen	Haukoos	Onnen	Stanisus
Backlund	Dempsey	Heap	Ozment	Swiggum
Battaglia	DenOuden	Himle	Pauly	Thorson
Becklin	Dimler	Johnson	Piepho	Tjornhom
Bennett	Dyke	Kahn	Poppenhagen	Tompkins
Bishop	Erickson	Kiffmeyer	Redalen	Uphus
Blatz	Forsythe	Knickerbocker	Rees	Valan
Boerboom	Frederick	Kvam	Richter	Valento
Boo	Frederickson	Levi	Rose	Waltman
Brandl	Frerichs	Marsh	Schafer	Zaffke
Brown	Gruenes	McDonald	Schreiber	Spk. Jennings, D.
Burger	Gutknecht	McKasy	Seaberg	
Carlson, D.	Halberg	McPherson	Shaver	
Carlson, J.	Hartinger	Miller	Sherman	
Clausnitzer	Hartle	Olsen, S.	Skoglund	

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

Stanisus and O'Connor moved to amend H. F. No. 1641, as amended, as follows:

Page 16, delete lines 15 to 32

A roll call was requested and properly seconded.

The question was taken on the Stanisus and O'Connor amendment and the roll was called.

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

There were 56 yeas and 72 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Jacobs	Nelson, D.	Quinn	Stanis
Anderson, R.	Jaros	Neuenschwander	Rest	Staten
Battaglia	Jennings, L.	Norton	Rice	Tomlinson
Beard	Kelly	O'Connor	Riveness	Tompkins
Begich	Krueger	Omann	Rodosovich	Tunheim
Bennett	Lieder	Osthoff	Sarna	Voss
Brown	Long	Otis	Scheid	Welle
Carlson, L.	McEachern	Ozment	Schoenfeld	Wenzel
Clark	McLaughlin	Pappas	Segal	
Dempsey	Metzen	Peterson	Simoneau	
Elioff	Minne	Piper	Solberg	
Ellingson	Murphy	Price	Sparby	

Those who voted in the negative were :

Backlund	Erickson	Kahn	Olsen, S.	Svigum
Becklin	Fjoslien	Kalis	Onnen	Thiede
Bishop	Forsythe	Kiffmeyer	Pauly	Thorson
Blatz	Frederick	Knickerbocker	Piepho	Tjornhom
Boerboom	Frederickson	Knuth	Poppenhagen	Uphus
Boo	Frerichs	Kostohryz	Quist	Valan
Brandl	Greenfield	Kvam	Redalen	Valento
Brinkman	Gruenes	Levi	Rees	Vellenga
Burger	Gutknecht	Marsh	Richter	Waltman
Carlson, D.	Halberg	McDonald	Rose	Wynia
Carlson, J.	Hartinger	McKasy	Schafer	Zaffke
Cohen	Hartle	McPherson	Schreiber	Spk. Jennings, D.
DenOuden	Haukoos	Miller	Seaberg	
Dimler	Heap	Munger	Shaver	
Dyke	Johnson	Nelson, K.	Skoglund	

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

Anderson, R., moved to amend H. F. No. 1641, as amended, as follows :

Page 60, lines 17 and 18 delete the new language

A roll call was requested and properly seconded.

The question was taken on the Anderson, R., amendment and the roll was called.

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

There were 57 yeas and 69 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Battaglia	Begich	Brinkman	Clark
Anderson, R.	Beard	Boo	Brown	Elioff
Backlund	Becklin	Brandl	Carlson, L.	Fjoslien

Jacobs	Long	Osthoff	Rodosovich	Sparby
Jaros	McEachern	Otis	Sarna	Tomlinson
Jennings, L.	McLaughlin	Pappas	Scheid	Tunheim
Kalis	Metzen	Peterson	Schoenfeld	Voss
Kelly	Minne	Piper	Seaberg	Welle
Knuth	Murphy	Price	Segal	Wenzel
Kostohryz	Neuenschwander	Rice	Simoneau	
Krueger	Norton	Richter	Skoglund	
Lieder	O'Connor	Riveness	Solberg	

Those who voted in the negative were:

Bennett	Erickson	Kahn	Piepho	Svigum
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thiede
Blatz	Frederick	Kvam	Quinn	Thorson
Boerboom	Frederickson	Levi	Quist	Tjornhom
Burger	Frerichs	Marsh	Redalen	Tompkins
Carlson, D.	Greenfield	McDonald	Rees	Uphus
Carlson, J.	Gruenes	McPherson	Rest	Valan
Clausnitzer	Gutknecht	Miller	Rose	Valento
Cohen	Halberg	Munger	Schafer	Vellenga
Dempsey	Hartinger	Nelson, D.	Schreiber	Waltman
DenOuden	Hartle	Olsen, S.	Shaver	Wynia
Dimler	Haukoos	Onnen	Sherman	Zaffke
Dyke	Heap	Ozment	Stanisus	Spk. Jennings, D.
Ellingson	Johnson	Pauly	Staten	

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

Krueger moved to amend H. F. No. 1641, as amended, as follows:

Page 82, line 3, after "of" insert "(a)"

Page 82, line 6, after "security" insert "and, (b) all counties in which the average per capita income is 60 percent or less of the statewide average per capita income for 1985 or any year thereafter."

A roll call was requested and properly seconded.

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

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

There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brandl	Cohen	Kahn	Krueger
Anderson, R.	Brinkman	Elioff	Kalis	Lieder
Battaglia	Brown	Ellingson	Kelly	Long
Beard	Carlson, L.	Greenfield	Knuth	McEachern
Begich	Clark	Jennings, L.	Kostohryz	McLaughlin

Metzen	O'Connor	Quinn	Schoenfeld	Tomlinson
Minne	Osthoff	Rest	Segal	Tunheim
Munger	Otis	Rice	Simoneau	Vellenga
Murphy	Pappas	Riveness	Skoglund	Voss
Nelson, D.	Peterson	Rodosovich	Solberg	Welle
Nelson, K.	Piper	Sarna	Sparby	Wenzel
Neuenschwander	Price	Scheid	Staten	Wynia
Norton				

Those who voted in the negative were:

Backlund	Dyke	Himle	Onnen	Sherman
Becklin	Erickson	Jacobs	Ozment	Stanius
Bennett	Fjoslien	Johnson	Pauly	Sviggum
Bishop	Forsythe	Kiffmeyer	Piepho	Thiede
Blatz	Frederick	Knickerbocker	Poppenhagen	Thorson
Boerboom	Frederickson	Kvam	Quist	Tjornhom
Boo	Frerichs	Levi	Redalen	Tompkins
Burger	Gruenes	Marsh	Rees	Uphus
Carlson, D.	Gutknecht	McDonald	Richter	Valan
Carlson, J.	Halberg	McKasy	Rose	Valento
Clausnitzer	Hartinger	McPherson	Schafer	Waltman
Dempsey	Hartle	Miller	Schreiber	Zaffke
DenOuden	Haukoos	Olsen, S.	Seaberg	Spk. Jennings, D.
Dimler	Heap	Omann	Shaver	

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

Begich moved to amend H. F. No. 1641, as amended, as follows:

Page 102, delete lines 14 to 36

Page 103, delete line 1

Renumber subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

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

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

There were 60 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brandl	Clark	Greenfield	Kahn
Battaglia	Brinkman	Cohen	Jacobs	Kelly
Beard	Brown	Elioff	Jaros	Knuth
Begich	Carlson, L.	Ellingson	Jennings, L.	Kostohryz

Krueger	Nelson, D.	Peterson	Sarna	Staten
Lieder	Nelson, K.	Piper	Scheid	Tomlinson
Long	Neuenschwander	Price	Schoenfeld	Tunheim
McEachern	Norton	Quinn	Segal	Vellenga
McLaughlin	O'Connor	Rest	Simoneau	Voss
Metzen	Osthoff	Rice	Skoglund	Welle
Minne	Otis	Riveness	Solberg	Wenzel
Murphy	Pappas	Rodosovich	Sparby	Wynia

Those who voted in the negative were:

Anderson, R.	Dyke	Himle	Pauly	Swiggum
Backlund	Erickson	Johnson	Piepho	Thiede
Becklin	Fjoslien	Kiffmeyer	Poppenhagen	Thorson
Bennett	Forsythe	Knickerbocker	Quist	Tjornhom
Bishop	Frederick	Kvam	Redalen	Tompkins
Boerboom	Frederickson	Levi	Rees	Uphus
Boo	Frerichs	Marsh	Richter	Valan
Burger	Gruenes	McKasy	Rose	Valento
Carlson, D.	Gutknecht	McPherson	Schafer	Waltman
Carlson, J.	Halberg	Miller	Schreiber	Zaffke
Clausnitzer	Hartinger	Olsen, S.	Seaberg	Spk. Jennings, D.
Dempsey	Hartle	Omann	Shaver	
DenOuden	Haukoos	Onnen	Sherman	
Dimler	Heap	Ozment	Stanis	

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

Kahn moved to amend H. F. No. 1641, as amended, as follows:

Page 47, after line 3, insert a new section to read:

"Sec. 57. [APPROPRIATION TRANSFER.] The commissioner of finance shall reduce the general fund appropriations in sections 2 to 47 by \$3,000,000 the first year and \$3,000,000 the second year apportioning this reduction according to the percentage each department or agency represents to the total general fund budget concurrent with the transfer of such funds to the commissioner of administration for the purpose of providing for operating costs of 911 emergency phone service."

Renumber the remaining sections accordingly

A roll call was requested and properly seconded.

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

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

There were 64 yeas and 64 nays as follows:

Those who voted in the affirmative were :

Anderson, G.	Greenfield	McLaughlin	Pappas	Simoneau
Battaglia	Jacobs	Metzen	Peterson	Skoglund
Beard	Jaros	Minne	Piper	Solberg
Begich	Jennings, L.	Munger	Price	Sparby
Blatz	Kahn	Murphy	Quinn	Staten
Boo	Kalis	Nelson, D.	Rest	Tomlinson
Brandl	Kelly	Nelson, K.	Rice	Tunheim
Brinkman	Knuth	Neuenschwander	Riveness	Vellenga
Brown	Kostohryz	Norton	Rodosovich	Voss
Carlson, L.	Krueger	O'Connor	Sarna	Welle
Clark	Lieder	Osthoff	Scheid	Wenzel
Cohen	Long	Otis	Schoenfeld	Wynia
Ellingson	McEachern	Ozment	Segal	

Those who voted in the negative were :

Anderson, R.	Elioff	Heap	Omann	Sherman
Becklin	Erickson	Himle	Onnen	Sviggum
Bennett	Fjoslien	Johnson	Piepho	Thiede
Bishop	Forsythe	Kiffmeyer	Poppenhagen	Thorson
Boerboom	Frederick	Knickerbocker	Quist	Tjornhom
Burger	Frederickson	Kvam	Redalen	Tompkins
Carlson, D.	Frerichs	Levi	Rees	Uphus
Carlson, J.	Gruenes	Marsh	Richter	Valan
Clausnitzer	Gutknecht	McDonald	Rose	Valento
Dempsey	Halberg	McKasy	Schafer	Waltman
DenOuden	Hartinger	McPherson	Schreiber	Zaffke
Dimler	Hartle	Miller	Seaberg	Spk. Jennings, D.
Dyke	Haukoos	Olsen, S.	Shaver	

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

H. F. No. 1641, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; providing for the compensation of metropolitan government personnel; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1; 3.21; 3.85, subdivision 11; 3.9223, subdivision 1; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 15.50, subdivision 3; 16A.055, subdivision 1; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 16B.09, by adding a subdivision; 16B.29; 43A.07, subdivision 2; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, 16, and by adding subdivisions; 85A.04, subdivision 3; 86.72; 86.75; 97.4841, subdivision 3; 97.4842, subdivision 2; 97.50, subdivision 1; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and by adding a subdivision; 98.47, subdivision 1; 100.271, subdivision 2; 115.03, by adding a subdivision; 115A.05, subdivision 1; 115A.908, subdivi-

sions 2 and 3; 116J.76; 116M.03, by adding a subdivision; 179A.-03, subdivision 17; 179A.04, subdivision 3; 179A.13; 179A.16; 179A.21; 179A.25; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.07, subdivision 2a; 268.38, subdivisions 1, 2, 6, 7, and 8; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 361.03, subdivision 5; 361.27; 462C.05, subdivision 2, and by adding a subdivision; 462C.07, subdivision 1, and by adding a subdivision; 473.123, subdivision 5; 473.129, subdivision 2; 473.141, subdivisions 7 and 12; 473.605, subdivision 2; 473.606, subdivisions 1 and 5; 473.704, by adding a subdivision; 473.714; 487.01, subdivision 5; 609.101; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 85A; 97; 116; 139; and 270; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 46.15; 48.87; 69.031, subdivision 2; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 1; 115A.05, subdivision 3; 115A.201, subdivision 2; 115A.22, subdivision 4; 116M.06, subdivision 5; 116M.07, subdivision 3; 124.471; 179A.03, subdivision 3; 179A.05; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; 360.389; 403.01, subdivision 1; and Laws 1982, chapter 489, section 11.

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.

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

There were 73 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DenOuden	Heap	Onnen	Stanius
Backlund	Dimler	Himle	Ozment	Sviggun
Battaglia	Dyke	Jacobs	Pauly	Thiede
Becklin	Erickson	Johnson	Piepho	Thorson
Bennett	Fjoslien	Kiffmeyer	Poppenhagen	Tjornhom
Bishop	Forsythe	Knickerbocker	Quist	Tompkins
Blatz	Frederick	Kvam	Redalen	Tunheim
Boerboom	Frederickson	Levi	Rees	Uphus
Boo	Frerichs	Marsh	Richter	Valan
Burger	Gruenes	McDonald	Rose	Valento
Carlson, D.	Gutknecht	McKasy	Schafer	Waltman
Carlson, J.	Halberg	McPherson	Schreiber	Zaffke
Clausnitzer	Hartinger	Miller	Seaberg	Spk. Jennings, D.
Cohen	Hartle	Olsen, S.	Shaver	
Dempsey	Haukoos	Omann	Sherman	

Those who voted in the negative were:

Anderson, G.	Jennings, L.	Minne	Piper	Skoglund
Beard	Kahn	Munger	Price	Solberg
Begich	Kalis	Murphy	Quinn	Staten
Brandl	Kelly	Nelson, D.	Rest	Tomlinson
Brinkman	Knuth	Nelson, K.	Rice	Vellenga
Brown	Kostohryz	Neuenschwander	Riveness	Voss
Carlson, L.	Krueger	Norton	Rodosovich	Welle
Clark	Lieder	O'Connor	Sarna	Wenzel
Elioff	Long	Osthoft	Scheid	Wynia
Ellingson	McEachern	Otis	Schoenfeld	
Greenfield	McLaughlin	Pappas	Segal	
Jaros	Metzen	Peterson	Simoneau	

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

Staten and Minne were excused for the remainder of today's session.

There being no objection the order of business reverted to Messages from the Senate.

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 Senate File, herewith transmitted:

S. F. No. 1523.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1523, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12,

13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Forsythe moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1523 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Forsythe moved that the rules of the House be so far suspended that S. F. No. 1523 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1523 was read for the second time.

Forsythe moved to amend S. F. No. 1523, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [EDUCATION; APPROPRIATIONS.] The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal year indicated for each purpose. The figures "1985," "1986," and "1987," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1985, June 30, 1986, or June 30, 1987, respectively.

SUMMARY BY FUND

	1985	1986	1987	TOTAL
General	\$15,281,800	\$755,584,400	\$776,792,500	\$1,547,658,700
Trunk				
Highway		20,800	21,700	42,500
Permanent				
University		2,500,000	-0-	2,500,000

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Nongame Wildlife	25,000	25,000	50,000
TOTAL	\$15,281,800	\$758,130,200	\$776,839,200 \$1,550,251,200

SUMMARY BY AGENCY—ALL FUNDS

Department of Education	\$ 22,243,000	\$ 22,299,600	\$ 44,542,600
Higher Education Coordinating Board	62,248,300	70,251,600	132,499,900
State Board of Vocational Technical Education	15,281,800 142,661,500	142,248,900	300,192,200
State Board for Community Colleges	61,764,000	61,428,700	123,192,700
State University Board	116,592,300	119,374,800	235,967,100
University of Minnesota	351,569,100	360,288,800	711,857,900
Mayo Medical Foundation	1,052,000	946,800	1,998,800

 APPROPRIATIONS
 Available for the Year
 Ending June 30

1986	1987
\$	\$

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. Total

Appropriation	\$22,243,000	\$22,299,600
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Approved Complement

State—1986—437, 1987—432

Special Revenue—1986—9.5, 1987—9.5

Federal—1986—154.6, 1987—154.6

Bond Proceeds—1986—1, 1987—1

	1986	1987
	\$	\$

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education with the approval of the commissioner of finance may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the house appropriations and senate finance committees. The commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order or law.

The commissioner of education during the biennium may spend federal block grant money received under the Education Consolidation and Improvement Act of 1981, as amended, United States Code, title 20, chapter 51, as shown in the biennial budget. Changes may be made to accommodate adjustments in salary or other costs. The commissioner must report material changes to the house appropriations committee and the senate finance committee.

During the biennium, any new initiatives funded by block grants shall be funded through the Research and Development Activity, unless otherwise required by law and the allocation of block grant funds to the Research and Development Activity shall be reduced to 25 percent of the federal block grant funds allocated to the department.

Subd. 2. Instructional Services

1986	1987
\$6,194,600	\$6,265,400

\$20,800 the first year and \$21,700 the second year is from the trunk highway fund.

	1986	1987
\$		\$

\$1,545,000 the first year, and \$1,599,100 the second year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$309,000 the first year and \$319,800 the second year is for Indian post-secondary preparation grants.

\$220,000 in 1986 and \$220,000 in 1987 is for the vocational student organization budget. These amounts shall be spent according to an agreement between the state board and the recipients and shall not be diverted to any use other than the administration of currently recognized vocational student organizations. This agreement is not subject to the contract approval procedures of the commissioner of administration.

The General Instruction Activity complement is reduced by one position in Reading and one in Chemical Dependency.

The Academic Excellence Foundation complement is increased by one position.

One professional state position shall be added to the Special Education Monitoring complement of Special Populations.

The department of education shall maintain the existing Minnesota Indian education scholarship office at Bemidji during the biennium ending June 30, 1987, with no reduction in general fund appropriations.

Subd. 3. Faribault Residential Schools

\$5,748,700	\$5,727,900
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The complement at the Faribault Residential Schools is reduced by ten positions

	1986	1987
	\$	\$

in 1986 and four additional positions in 1987.

Subd. 4. Support Services

\$1,597,900 \$1,598,200

The Office of Policy and Planning is abolished. One federally funded Educational Specialist II and one federally funded Clerk/Typist III are transferred to Elementary and Secondary Education. One state funded Educational Specialist III position is eliminated.

The complement for the Council on Quality Education is eliminated. This shall not affect programmatic payment obligations previously approved. These obligations shall be assumed by the department unless otherwise specified by law.

The complement of the Private Vocational School Licensing section is reduced by one position.

Subd. 5. District Management Services

\$6,187,300 \$6,190,500

The Education Aids and Levies section complement is increased by one position at the level of senior research analysis specialist.

\$972,700 the first year and \$973,900 the second year is for education data systems. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$340,000 the first year and \$340,000 the second year is for the development and maintenance of software for the elementary-secondary-vocational information system. Any unexpended balance re-

	1986	1987
	\$	\$

maining in the first year does not cancel but is available for the second year of the biennium.

\$3,200,000 in the first year and \$3,-200,000 in the second year is for regional computing support for regional management information centers. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 6. Auxiliary and General Services

\$2,317,500 \$2,320,300

The commissioner of education shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

The commissioner shall maintain no more than two total complement in the categories of administrative secretary, executive or clerk/typist.

The complement of the elementary-secondary-vocational computer council is reduced by one-half position.

Subd. 7. Board of Teaching

\$197,000 \$197,300

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total		
Appropriation	62,248,300	70,251,600

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

	1986	1987
	\$	\$

Subdivision 2. Agency
Administration

\$2,615,100 \$2,337,700

This appropriation includes money for the administration of the state student assistance programs, program planning and coordination, policy planning and research, and agency management services.

\$100,000 in 1986 and \$100,000 in 1987 is to coordinate system missions and planning, and to coordinate the development of policy in instructional technology.

\$170,500 in 1986 and \$39,500 in 1987 is for the development of a delivery system to link the central administration of the scholarship and grant program with campus financial aid offices.

\$10,000 in 1986 is for coordinating the task force on regulation of private proprietary schools as provided in section 70.

\$10,000 in 1986 is for studying the effects of the standardized needs analysis on rural farm and business families under section 73.

\$100,000 in 1986 is available for developing and implementing a pilot program in peer counseling under section 69. Any unexpended balance in the first year does not cancel but is available for the second year of the biennium.

\$34,900 in 1986 and \$35,000 in 1987 is to inform secondary students about post-secondary opportunities and expectations, preparations necessary for post-secondary education, and resources available for planning and financial assistance, including but not limited to the activities described in section 44.

	1986	1987
	\$	\$

The board shall prepare plans for the awarding of scientific grants based on need and shall report its recommendations to the legislature by January 1, 1986.

Subd. 3. State Scholarships and Grants

\$51,150,000 \$58,350,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet scholarship and grant obligations.

\$50,000 in 1986 and \$50,000 in 1987 is for the purpose of scholarships and grants for eligible students of optometry who attend schools in other states with which Minnesota has an agreement for optometry seats. The number of eligible students shall be five per year for a maximum of 20, and shall include currently enrolled as well as entering students. The selection of students shall be as provided in section 136A.225.

This appropriation includes money for full funding of state scholarships and grants for students attending private institutions, as provided in section 29. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$1,500,000 in 1987 is for funding four full years of state scholarship and grant eligibility, according to section 32.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$2,850 for 1986 and \$3,000 for 1987.

\$300,000 in 1986 and \$2,000,000 in 1987 is for funding the part-time student grant program for eligible students as provided in section 136A.132.

	1986	1987
	\$	\$

The appropriation for the second year includes funding for scholarships and grants for students enrolled at least half but less than full time, according to sections 23 to 25.

\$100,000 the first year is for short-term living and transportation expenses of AVTI students.

Subd. 4. Interstate Tuition
Reciprocity

\$2,800,000	\$4,000,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

\$4,428,600	\$4,428,600
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Subd. 6. Medical Student Loans

\$95,000	
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Subd. 7. Minitex Library Program

\$959,600	\$735,300
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\$250,000 in 1986 is for updating MULS and studying library automation, linkage and storage systems. The board shall report its findings and recommendations to the legislature by January 15, 1987.

Subd. 8. Enterprise Development
Partnerships.

\$200,000	\$400,000
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The board shall coordinate the grant competition and the allocation of awards and shall determine the method to be used in selecting proposals for funding. The board shall report to the legislature on the awards made by February 1, 1987.

	1986	1987
\$		\$

One award shall be made to Bemidji State University for \$75,000 in 1986 and \$75,000 in 1987.

Subd. 9. During the biennium, notwithstanding any other law, the personnel, powers or duties of the higher education coordinating board must not be transferred to any other department, higher education system, or other part of state government.

Subd. 10. Any unexpended balances in this section remaining in the first year do not cancel but are available for the second year of the biennium.

Sec. 4. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. Total	1985		
Appropriation	\$15,281,800	142,661,500	142,248,900

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. 1984-1985 Entitlement Balance

\$15,281,800 in 1985 is appropriated to the board for final payment of entitlement for the 1984-1985 school year.

Subd. 3. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$179,772,500 for the first year, and \$180,896,100 for the second year.

If the actual amount is different, the state director shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$175,000 in 1986 and \$200,000 in 1987 is for instructor retraining.

	1986	1987
	\$	\$

\$500,000 the first year and \$500,000 the second year is to augment the funding level for repairs and betterments.

\$10,764,100 the first year and \$11,356,200 the second year is for required employer contributions for social security and teachers' retirement.

Subd. 4. Noninstructional Expenditures

It is estimated that the amount for non-instructional expenditures will be \$7,215,100 for the first year and \$6,747,400 for the second year.

If the actual amount is different, the state director shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$6,477,500 the first year and \$6,015,400 the second year is for debt service payments to local school districts for AVTI buildings financed with local district bonds issued before January 1, 1979.

\$212,000 the first year and \$88,900 the second year is for veteran farmer cooperative training programs.

\$500,600 the first year and \$518,100 the second year is for state matching of federal student loan money and federal work study money.

\$100,000 in 1987 is for the operation and management of the FIRE center. The board of vocational technical education and the regents of the University of Minnesota are requested to report to the house appropriations and senate finance committees on the statutory, property, fiscal, and other related changes necessary to transfer the FIRE center from

	1986	1987
	\$	\$

the management of the university to the management of the vocational technical board by January 1, 1986.

Subd. 5. State Council on Vocational Education

\$25,000 in 1986 and \$25,000 in 1987 shall be allocated by the state board to the state council on vocational education. These funds shall be used by the council to carry out its program and duties with particular emphasis on: service to local program advisory committees; AVTI program evaluation reports and recommendations; and a survey of entrepreneurial initiatives of AVTI graduates. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 5. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total		
Appropriation	61,764,000	61,428,700

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$76,821,000 for the first year and \$75,913,800 for the second year.

If the actual amount is different, the chancellor shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$5,146,300 in 1986 and \$4,112,600 in 1987 is for full funding of the bulge enrollment.

	1986	1987
\$		\$

\$335,700 the first year and \$335,700 the second year is to augment the funding level for repairs and betterments.

Subd. 3. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$11,470,700 for the first year and \$11,743,300 for the second year.

If the actual amount is different, the chancellor shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$408,400 in 1986 and \$331,000 in 1987 is for the library automation cooperative project with the state university system.

\$160,000 in 1986 and \$180,000 in 1987 is for operating costs of the Cambridge Center, contingent upon the opening of the new facility for the 1985-1986 academic year.

\$260,000 in 1986 and \$285,000 in 1987 is for the move and rental of space for Minneapolis Community College.

\$1,114,500 the first year and \$1,149,600 the second year is for financial aid. Of this amount, \$557,100 in 1986 and \$575,900 in 1987 is for state matching of federal student loan money and federal work study money.

Sec. 6. STATE UNIVERSITY BOARD

Subdivision 1. Total		
Appropriation	116,592,300	119,374,800

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

	1986	1987
	\$	\$

Subd. 2. Instructional Expenditures.

It is estimated that the amount for instructional expenditures will be \$162,153,800 for the first year and \$165,914,500 for the second year.

If the actual amount is different, the chancellor shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$5,398,100 in 1986 and \$4,464,700 in 1987 is for full funding of the bulge enrollment at the Bemidji, Mankato, Moorhead, St. Cloud, and Winona campuses.

\$101,645 in 1986 and \$42,830 in 1987 is to establish a food technology concentration and certificate program at Southwest State University. Of this amount, \$30,789 in the first year and \$31,867 in the second year is for support and salary for one faculty position; and \$70,856 in the first year and \$10,963 in the second year is for consumable supplies and equipment.

\$56,000 in 1986 and \$56,000 in 1987 is to enhance the equipment of the engineering technology department at Southwest State University in support of the food technology program by acquiring equipment in the form of a CAD/CAM and a microprocessor.

\$604,000 the first year and \$608,700 the second year is to augment the funding level for repairs and betterments and capital improvement projects management.

The state university board shall ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English. The board shall report the

1986

1987

\$

\$

actions it is taking on this matter to the legislature by January 15, 1986.

Subd. 3. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$8,335,400 for the first year and \$8,598,200 for the second year.

If the actual amount is different, the chancellor shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$211,500 in 1986 and \$215,900 in 1987 is for the library automation cooperative project with the community college system.

\$126,000 in 1986 and \$127,225 in 1987 is to establish a science and technology resource center at Southwest State University to assist inventors and entrepreneurs in creating products and processes that can be a source of new businesses and jobs in southwestern Minnesota. Of this amount, \$35,000 in the first year and \$36,225 in the second year is for support and salary of one 10-1/2 month center director; \$5,000 each year is for student help; \$46,000 each year is for consultants for market analysis and technical assistance; and \$40,000 each year is for consumable supplies, materials, and equipment.

\$23,660 in 1986 and \$3,640 in 1987 for the consumable equipment and supplies for the food technology program is attributable to noninstructional expenditures.

\$56,000 in 1986 and \$56,000 in 1987 is to enhance the equipment of the engineering technology department at South-

	1986	1987
\$		\$

west State University in support of the science and technology resource center by acquiring equipment in the form of a CAD/CAM and a microprocessor.

Subd. 4. The state university board shall submit a report to the house appropriations and senate finance committees by January 15, 1987, on the use of all money exempt from budgetary control by the commissioner of finance under Minnesota Statutes, sections 136.11, subdivision 5; 136.144; and 136.37.

Sec. 7. UNIVERSITY OF MINNESOTA

Subdivision 1. Total		
Appropriation	351,569,100	360,288,800

The amounts that may be spent from the appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance		
	282,052,000	287,944,800

(a) Sources

These appropriations are made from:

(1) income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, section 137.022. It is estimated that this income will not exceed \$2,500,000 for the first year. In the second year all the funds will accrue to the University; and

(2) the general fund. It is estimated that the amount required from the general fund will be at least \$279,552,000 for the first year and \$287,944,800 for the second year.

On December 1, 1986, and December 1, 1987, the president of the University of Minnesota shall furnish the house appro-

	1986	1987
	\$	\$

priations and senate finance committees and the commissioner of finance the following information:

the sources of these receipts; and

the purposes for which any excess receipts were spent and accounts to which transferred.

In preparing the university's legislative budget request for the 1987-1989 biennium, all projected income from student tuition must be based on a charge per credit hour schedule.

(b) Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$305,776,200 for the first year and \$312,593,900 for the second year.

If the actual amount is different, the University of Minnesota shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$6,000,000 in 1986 and \$6,000,000 in 1987 is for the university's commitment to focus. During the biennium, it is the intention of the legislature that the university embark on a course of excellence in cooperation with the other post-secondary education systems.

\$598,000 in 1986 and \$1,192,000 in 1987 is for the University of Minnesota, Duluth Engineering Program.

The university is requested to ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English. The university is requested to report the actions it is taking on this matter to the legislature by January 15, 1986.

	1986	1987
	\$	\$

(c) Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$87,644,400 for the first year and \$88,969,100 for the second year.

If the actual amount is different, the University of Minnesota shall report and explain the difference to the house appropriations and senate finance committees and the commissioner of finance by December 1 of each year.

\$1,500,000 in 1987 is for the graduate fellowship program as provided in section 68.

The regents are requested to study changing the name of the Dight Institute of Human Genetics and to report their recommendations to the House Appropriations and Senate Finance Committees by January 1, 1986.

Subd. 3. Special Appropriations . . .	69,517,100	72,344,000
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(a) Agricultural Extension Service

	\$12,148,800	\$12,549,700
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This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. During the biennium, any salary increases granted by the university to personnel paid from this appropriation must not result in a reduction of the county portion of the salary payments.

Of this amount, \$42,500 in 1986 and \$42,500 in 1987 is to establish a turf extension specialist position.

(b) Agricultural Research

	\$21,890,700	\$23,044,600
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	1986	1987
	\$	\$

This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement, and irrigation.

This appropriation includes money for the study of pseudorabies.

Of this amount, \$9,955,800 in 1986 and \$10,304,200 in 1987 is for the agricultural experimental station funds that are transferred from the operations and maintenance budget to the Agricultural Research special.

\$100,000 in 1986 is for the operation of the FIRE center. The regents of the University of Minnesota and the board of vocational technical education are requested to report on the statutory, property, fiscal, and other related changes necessary to transfer the FIRE center from the management of the university to the management of the vocational technical board by January 1, 1986.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils shall be broadly representative of range of size and income distributions for farms and agribusiness, and shall not be disproportionately represented by those from the upper half of the size and income distributions of farms and agribusiness.

(c) Biotechnology Center

\$ 432,600 \$ 447,700

(d) Coleman Leukemia Research Center

\$ 226,300 \$ 234,200

(e) County Papers/Indigent Patients

\$2,060,000 \$2,132,100

	1986	1987
	\$	\$
(f) Geological Survey		
\$ 799,300	\$ 824,000	
(g) Hormel Institute		
\$ 167,300	\$ 173,200	
(h) Industrial Relations Education		
\$ 638,600	\$ 661,000	
(i) Institute for Human Genetics		
\$ 300,000	\$ 485,000	
(j) Intercollegiate Athletics		
\$2,868,200	\$2,970,800	

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21. The money shall be allocated to ensure that in each year campuses receive no less than the amounts specified: Duluth — \$484,000; Morris — \$58,000; Crookston — \$39,000; and Waseca — \$39,000.

(k) Lake Superior Basin Studies

\$ 137,800 \$ 142,600

(l) Medical Research

\$2,155,900 \$2,231,400

(m) Microelectronics and
Information Science Center

\$ 617,500 \$ 639,100

	1986	1987
	\$	\$

(n) Mineral Resources Research
Center

\$ 494,000 \$ 511,300

(o) Natural Resources Research
Institute

\$2,315,300 \$2,396,400

(p) Plant Biomass Energy Research

\$ 136,100 \$ 140,800

(q) Productivity Center

\$ 309,000 \$ 319,800

(r) Rural Physicians Associates
Program

\$ 528,500 \$ 547,000

(s) Sea Grant College Program

\$ 275,200 \$ 304,500

The university is requested to study the relocation of the Sea Grant program to the Duluth campus and report to the house appropriations and senate finance committees by January 1, 1986.

(t) Special Hospitals, Service and
Educational Offset

\$13,326,900 \$13,793,300

During the biennium, fees for service furnished to counties and individuals under this program shall be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1987.

(u) Supercomputer Institute

\$6,078,000 \$6,171,700

	1986	1987
\$		\$

This appropriation includes money for the leasing of two supercomputer architectures.

(v) Talented Youth Math

\$ 182,300 \$145,000

Of this appropriation, \$40,000 in 1986 is to match grant funds for teacher education.

This appropriation includes money to continue the outreach sites program to ensure an opportunity for the participation of youth outside the metropolitan area.

(w) Underground Space Center

\$ 206,000 \$ 213,200

(x) Veterinary Diagnostic Laboratory

\$1,222,800 \$1,265,600

This appropriation includes \$25,000 each year from the nongame wildlife account in the special revenue fund for the raptor rehabilitation and research clinic.

Sec. 8. MAYO MEDICAL FOUNDATION

Subdivision 1. Total		
Appropriation	1,052,000	946,800

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

\$ 883,700 \$ 772,600

The state of Minnesota shall pay a capitation of \$8,580 in 1986 and \$8,880

	1986	1987
	\$	\$

in 1987 for each student who is a resident of Minnesota.

Capitation money must be paid for a maximum of 20 students in each class for students who entered Mayo Medical School during the 1984-1985 academic year or thereafter, and a maximum of 40 students in each class for students who entered Mayo Medical School before the 1984-1985 academic year.

During the biennium, the legislature intends that the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board.

Subd. 3. Family Practice and Graduate Residency Program

\$168,300 \$174,200

The state of Minnesota shall pay a capitation of \$14,025 in fiscal year 1986 and \$14,500 in fiscal year 1987 for a maximum of 12 students.

Sec. 9. Minnesota Statutes 1984, section 121.02, is amended by adding a subdivision to read:

Subd. 4. [BOARD STAFF.] The state board may appoint a staff assistant who shall serve in the unclassified service.

Sec. 10. [124.481] [INDIAN POST-SECONDARY PREPARATION GRANTS.]

The state board of education, with the advice of the Minnesota Indian scholarship committee, may make grants to school districts to support post-secondary preparation for secondary pupils who are of one-fourth or more Indian ancestry and who, in the opinion of the superintendent, have the capabilities to benefit from higher education. Distribution of the grants must be in accordance with a plan prepared by the state board, with the advice of the Minnesota Indian scholarship committee, that describes the objectives and methods of implementing the grant program, including the manner in which

grants will be distributed in proportion to the geographical distribution of the Indian population of the state.

Sec. 11. Minnesota Statutes 1984, section 135A.03, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF AVERAGE COST OF INSTRUCTION.] (a) The average cost of instruction shall include direct instructional costs and other costs necessary to provide instruction, such as facilities, administration, and support. The average cost of instruction shall include only those costs attributable to academic or vocational programs.

(b) Every biennium each board shall submit the average cost of instruction for each instructional category as necessary to determine appropriations as part of their biennial budget request.

(c) *An unexpended balance of an appropriation to a board that is carried over from the first to the second fiscal year of a biennium or from one biennium to the next must not be used to augment the cell values in the average cost funding matrix used to calculate base level funding or to augment the non-instructional base level funding.*

Sec. 12. Minnesota Statutes 1984, section 135A.05, is amended to read:

135A.05 [TASK FORCE.]

The (COMMISSIONER OF FINANCE) *executive director of the Minnesota higher education coordinating board* shall establish a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, (THE HIGHER EDUCATION COORDINATING BOARD,) the education division of the house appropriations committee, (AND) the education subcommittee of the senate finance committee, *the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council.* The task force shall be convened and chaired by the (COMMISSIONER OF FINANCE) *executive director of the higher education coordinating board* or his designee and staffed by the (DEPARTMENT OF FINANCE) *higher education coordinating board.* The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their (1985-1987)

biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each *odd-numbered* year.

Sec. 13. Minnesota Statutes 1984, section 135A.06, is amended to read:

135A.06 [SYSTEM PLANS (; UNIVERSITY OF MINNESOTA; STATE UNIVERSITY BOARD; STATE BOARD FOR COMMUNITY COLLEGES; STATE BOARD FOR VOCATIONAL EDUCATION) AND MISSIONS.]

Subdivision 1. [SUBMISSION OF PLANS.] It is the intent of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. (THESE PLANNING EFFORTS INCLUDE, BUT ARE NOT LIMITED TO, THE ON-GOING INTRASYSTEM AND INTERSYSTEM PLANNING PROCESSES AND THE INFORMATION PROVIDED BY THE SYSTEMS TO THE GOVERNOR'S COMMISSION ON THE FUTURE OF POST-SECONDARY EDUCATION.) *It is the further intent that the system missions be differentiated from one another to best serve the needs of the citizens of Minnesota.* In order to accomplish (THIS GOAL) *these goals*, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board for vocational education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The planning report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. The report shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included. *The report shall also include plans for and progress toward achieving mission differentiation while maintaining the state's overall post-secondary objectives.*

Subd. 2. [MISSION.] Each system shall review its mission as it relates to instruction, research, and public service. *The systems in cooperation with the higher education coordinating board shall jointly review their missions and develop strategies to achieve clearer mission differentiation and an overall inter-system plan that ensures achieving the state's overall post-secondary objectives.*

Subd. 3. [SYSTEM PLANS.] ((A)) Each system shall (REVIEW ITS) *develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the development of the program plans to achieve intersystem cooperation and differentiation.*

Each planning report shall consider the following elements at a minimum: (PROGRAM PLANS SHALL INCLUDE)

(a) A statement of program priorities for undergraduate, graduate, and professional education. Program plans shall also include data about program cost and average class size within each institution.

(b) (EACH SYSTEM SHALL) A review (ITS PLAN) of plans for adjusting the number of facilities, staff, and programs to projected level of demand. Plans for adjustments shall consider campus and program mergers, campus and program closings, new governance structures, *the relationship between fixed costs and projected enrollment changes*, and other methods including consolidation of institutions, services, and programs (WITH INSTITUTIONS SERVING) *that serve the same geographic area (WHICH ARE OPERATED BY) under different governing boards.*

((C) EACH SYSTEM SHALL CONSULT WITH THE HIGHER EDUCATION COORDINATING BOARD THROUGHOUT THE PLANNING PROCESS.)

(SUBD. 4. [PLANNING FACTORS.] EACH PLANNING REPORT SHALL CONSIDER THE FOLLOWING FACTORS AT A MINIMUM.)

((A)) (c) Enrollment projections for two, five, and ten years. If a system uses projections which are different from the most recent available projections produced by the higher education coordinating board, the system shall compare its projections with enrollment projections prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

((B)) (d) Estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources;

((C)) (e) Opportunities for providing services cooperatively with other public and private institutions in the same geographic area.

(f) *Differentiating and coordinating missions to reduce or eliminate duplication of services and offerings.*

Subd. 4a. [CAPITAL REQUESTS.] A capital budget request submitted by a system must specifically relate a proposed capital project to the plans required under this section.

Subd. 5. [HECB REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on

the reports prepared by the systems. In order to provide sufficient time for this review, systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. In order to provide sufficient time for the systems to respond, the HECB shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15, prior to the January 2 submission to the governor and the legislature. The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature. As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post-secondary institutions *and on the progress the systems and the board are making toward an integrated intersystem planning effort.*

Sec. 14. Minnesota Statutes 1984, section 136.031, is amended to read:

136.031 [CARRY-OVER AUTHORITY.]

The state university board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over (AN) *any* unexpended balance (UP TO A MAXIMUM OF TWO PERCENT OF ITS BIENNIAL APPROPRIATION) into the following biennium. (THESE MONEYS SHALL) *The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.*

Sec. 15. [136.27] [PARKING IN UNIVERSITY LOTS.]

Subdivision 1. [AUTHORITY.] Notwithstanding section 169.966, the state university board may authorize a state university to make and enforce rules on parking on the university's owned or leased property, and to assess and collect a fine, and if appropriate, a towing fee for a violation of a rule.

Subd. 2. [ANNUAL STANDING APPROPRIATION.] Money collected under this section by a state university is annually appropriated to the university for parking lot maintenance, improvement, and rule enforcement.

Subd. 3. [DISPUTES.] A state university with the approval of the state university board, shall set procedures to

resolve a dispute arising from the enforcement of a rule made under this section.

Subd. 4. [ADMINISTRATIVE PROCEDURE ACT EXEMPTION.] A rule made or procedure set under this section is not subject to any part of the administrative procedure act, sections 14.01 to 14.47.

Sec. 16. Minnesota Statutes 1984, section 136A.042, is amended to read:

136A.042 [CREDIT TRANSFERABILITY.]

The higher education coordinating board shall recommend to the legislature, after consultation with the state board for vocational education, community college board, state university board, and the regents of the University of Minnesota, measures which will facilitate transferability of credits between the institutions and among the systems, which will improve student awareness of the credit transfer policies, and which will cause student transcripts to reflect credits earned at other post-secondary institutions. The higher education coordinating board is directed to encourage communications among faculty, staff and students at the various institutions in order to accomplish the purposes of this section. (THE HIGHER EDUCATION COORDINATING BOARD SHALL REPORT THE MEASURES RECOMMENDED BY IT BY JANUARY 15, 1984.)

The higher education coordinating board and the state board of vocational technical education shall examine the awarding of course credit for work completed in area vocational technical institutes and the issue of transferring credit from these institutions to other public or private institutions. The higher education coordinating board shall report its findings and recommendations to the legislature by February 1, 1986.

Sec. 17. [PURPOSE.]

Southwest State University seeks to use its faculty, facility, and technical services to create new wealth and jobs in southwestern Minnesota by focusing segments of its curriculum on food, the economic base of the region. Programs dealing with the local processing of food in the region offer the most promising long-term strategy for diversifying the economy, creating new jobs, and reversing the outflow of population.

Sec. 18. [136.149] [SCIENCE AND TECHNOLOGY RESOURCE CENTER.]

Subdivision 1. [SPACE.] The state university board shall establish and operate a science and technology resource center

at Southwest State University. Space may be allocated for the center in a university building and may be provided without rent to a person or corporation for the research and development of products or processes that may have a favorable economic impact on the economy of Minnesota. At the conclusion of the research and initial development of the product or process, the person or corporation shall vacate the university space.

Subd. 2. [RESEARCH.] Research on product or process development shall be provided by the employees of Southwest State University.

Subd. 3. [PRIVATE ENTERPRISE.] Technology advances gained through the efforts of Southwest State University must be made available to private enterprise.

Subd. 4. [CLIENT SELECTION AND AGREEMENTS.] Recommendations of clients for the science and technology resource center shall be made by an advisory committee comprised of representatives of business, agribusiness, and education in southwestern Minnesota. Approved clients shall enter into an agreement with the state university board on behalf of Southwest State University, that shall specify the term and nature of the services provided by the university and the nature and extent of the interest retained by the state university board in the product, process, or business developed by the center and the client.

Subd. 5. [REVENUE.] Revenue generated from royalties, patents, licenses, or interests retained by the state university board is appropriated to the state university board and shall be allocated by the board to Southwest State University for the continued operation of the science and technology resource center.

Sec. 19. Minnesota Statutes 1984, section 136.67, subdivision 5, is amended to read:

Subd. 5. [CARRY-OVER AUTHORITY.] The community college board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over (AN) any unexpended balance (UP TO A MAXIMUM OF TWO PERCENT OF ITS BIENNIAL APPROPRIATION) into the following biennium. (THESE MONEYS SHALL) *The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.*

Sec. 20. [136A.043] [INFORMATION TECHNOLOGY.]

The higher education coordinating board shall initiate activities to coordinate state policy development regarding the use

of information technology in post-secondary education instruction and administration. These activities shall include at least the following: a survey, conducted in collaboration with the post-secondary education systems, of existing information technology use and needs of institutions and regions; initiation of collaborative activities to share information and resources; and provision of opportunities for post-secondary education policymakers to review issues and needs for policy development.

Sec. 21. Minnesota Statutes 1984, section 136A.09, is amended to read:

136A.09 [STUDENT SCHOLARSHIPS, PURPOSE.]

The legislature (HAS FOUND) *finds* and (HEREBY) declares that (THE) identification of the talented (YOUNG) men and women of the state and (THE) encouragement of their maximum educational development is in the best interest of the state. The state scholarship program (PROVIDED FOR HEREIN) is designed to encourage (SUCH) able and worthy students to continue their education in the eligible institutions of their own choosing and to provide financial assistance for those (WHO WOULD NOT) otherwise (BE) *not* able to do so.

Sec. 22. Minnesota Statutes 1984, section 136A.095, is amended to read:

136A.095 [GRANTS-IN-AID; PURPOSE.]

The legislature (HAS FOUND) *finds* and (HEREBY) declares that the identification of (YOUNG) men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

Sec. 23. Minnesota Statutes 1984, section 136A.101, is amended to read:

136A.101 [DEFINITIONS.]

Subdivision 1. For purposes of sections 136A.09 to 136A.-131, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 4. "Eligible institution" means (AN) *a post-secondary educational institution* (OF HIGHER EDUCATION) located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs (WHICH PROVIDES AN ORGANIZED COURSE OF INSTRUCTION OF AT LEAST TWO YEARS DURATION IN THE SCIENCES OR LIBERAL ARTS, INCLUDING PERFORMING AND VISUAL ARTS, OR A COMBINATION OF THESE, AT THE COLLEGIATE LEVEL WHICH) *that* either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state (OR AN AREA VOCATIONAL-TECHNICAL SCHOOL OR OTHER VOCATIONAL SCHOOL APPROVED BY THE BOARD).

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of (HIS) choice as determined from financial information on the applicant *and, if required, on the applicant's parents*, by a college scholarship service or equivalent service under criteria established by the board.

Subd. 6. "Qualified applicant" means (THOSE STUDENTS) *a person who ranked in the upper quarter of the class at the end of the junior year in high school according to academic standards prescribed by the board for (PURPOSES OF) the state scholarship program (AND). It also means (ALL) any eligible (STUDENTS) person regardless of academic rank for (PURPOSES OF) the state grant-in-aid program.*

Subd. 7. "Student" means a (STUDENT) *person who (MEETS THE REQUIREMENTS FOR FULL TIME STUDENT STATUS AS DEFINED BY THE ELIGIBLE INSTITUTION HE ATTENDS) is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate.*

Subd. 8. "Resident student" includes a student who graduated from a Minnesota high school and has not since established residence in another state.

Sec. 24. Minnesota Statutes 1984, section 136A.121, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR SCHOLARSHIPS.] An applicant (SHALL BE) is eligible to be considered for a scholarship under (THE PROVISIONS OF) sections 136A.09 to 136A.131 if the board finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has met all the requirements for admission as a (FULL-TIME) student to an eligible institution of (HIS) choice as defined in sections 136A.09 to 136A.131;
- (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;
- (4) is a qualified applicant (AS DEFINED HEREIN).

Sec. 25. Minnesota Statutes 1984, section 136A.121, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID.] An applicant (SHALL BE) is eligible to be considered for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under (THE PROVISIONS OF) sections 136A.09 to 136A.131 if the board finds that *the* applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a (FULL-TIME) student to an eligible college or vocational school of (HIS) choice as defined in sections 136A.09 to 136A.131;
- (3) has met (SUCH) *the financial need* criteria (PERTAINING TO FINANCIAL NEED AS THE BOARD SHALL MAKE BY REGULATION) *established in rules*.

Sec. 26. Minnesota Statutes 1984, section 136A.121, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] Scholarships and grants-in-aid shall be awarded (ANNUALLY) on a funds available basis to those applicants (FOR INITIAL AWARDS AND APPLICANTS FOR RENEWAL AWARDS) who meet the board's requirements.

Sec. 27. Minnesota Statutes 1984, section 136A.121, subdivision 4, is amended to read:

Subd. 4. [SCHOLARSHIP STIPENDS.] An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. (AN ELIGIBLE SCHOLARSHIP APPLICANT WHO DOES NOT DEMONSTRATE FINANCIAL NEED UNDER CRITERIA PRE-

SCRIBED BY THE BOARD SHALL BE AWARDED AN HONORARY SCHOLARSHIP.) The amount of a financial stipend (SHALL) *must* not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

The minimum financial stipend (SHALL BE) *is* \$100.

Sec. 28. Minnesota Statutes 1984, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANTS-IN-AID STIPENDS.] A financial stipend based on financial need (SHALL) *must* accompany grants-in-aid. The amount of a financial stipend (SHALL) *must* not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend (SHALL BE) *is* \$100.

Sec. 29. Minnesota Statutes 1984, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] The cost of attendance (SHALL CONSIST) *consists* of allowances specified by the board for room and board and miscellaneous expenses, and

(a) for public institutions, tuition and fees charged by the institution; or

(b) for private institutions, (BEGINNING JULY 1, 1985,) an allowance for tuition and fees equal to the lesser of (1) the

actual tuition and fees charged by the institution, or (2) the instructional costs per full-year equivalent student in comparable public institutions. (PRIOR TO JULY 1, 1985, THE TUITION AND FEES ALLOWANCE SHALL NOT EXCEED THE INSTRUCTIONAL COSTS PER FULL-YEAR EQUIVALENT STUDENT IN COMPARABLE PUBLIC INSTITUTIONS.)

Sec. 30. Minnesota Statutes 1984, section 136A.121, subdivision 7, is amended to read:

Subd. 7. [INSUFFICIENT APPROPRIATION.] If the amount appropriated is *determined by the board to be* insufficient to make full awards to applicants (PURSUANT TO SUBDIVISION) *under subdivisions 4 and 5, before any award for that year has been disbursed,* then awards shall be reduced by

(a) adding a surcharge to the contribution of the applicant's parents, and

(b) a percentage increase in the applicant's contribution.

Sec. 31. Minnesota Statutes 1984, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [INITIAL AWARDS.] (ONLY FIRST YEAR STUDENTS SHALL BE ELIGIBLE TO APPLY FOR AND RECEIVE INITIAL SCHOLARSHIP AWARDS. ANY) *An* undergraduate student who has not previously received a scholarship or grant-in-aid and who meets the board's requirements (SHALL BE) *is* eligible to apply for and receive an initial *scholarship or* grant-in-aid in any year of undergraduate study.

Sec. 32. Minnesota Statutes 1984, section 136A.121, subdivision 10, is amended to read:

Subd. 10. [RENEWALS.] Each scholarship or grant-in-aid shall be awarded for one academic year (BUT SHALL BE), *is* renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree (OR BEEN ENROLLED FULL-TIME OR THE EQUIVALENT FOR THE NUMBER OF SEMESTERS OR QUARTERS NORMALLY REQUIRED TO COMPLETE A BACCALAUREATE DEGREE, WHICHEVER OCCURS FIRST).

Sec. 33. Minnesota Statutes 1984, section 136A.121, subdivision 11, is amended to read:

Subd. 11. [RENEWAL CONDITIONS.] Each scholarship or grant-in-aid (SHALL BE) *is* renewable, contingent on continued residency in Minnesota, satisfactory academic standing (AND),

recommendation of the (COLLEGE OR VOCATIONAL SCHOOL) *eligible institution currently attended*, and (, IN THE CASE OF FINANCIAL ASSISTANCE,) evidence of continued need.

Sec. 34. Minnesota Statutes 1984, section 136A.121, subdivision 12, is amended to read:

Subd. 12. [ANNUAL APPLICATION.] *To continue to receive a scholarship or grant-in-aid*, the student (MUST) *shall* apply for renewal (OF HIS SCHOLARSHIP OR GRANT-IN-AID) each year.

Sec. 35. Minnesota Statutes 1984, section 136A.121, subdivision 13, is amended to read:

Subd. 13. [DEADLINE.] The board (MUST) *shall* accept applications for state scholarships and grants-in-aid until February 15 and may establish a deadline for the acceptance of applications (WHICH) *that* is later than February 15.

Sec. 36. Minnesota Statutes 1984, section 136A.121, subdivision 16, is amended to read:

Subd. 16. [HOW APPLIED; ORDER.] (FINANCIAL) Scholarships and grants-in-aid awarded under (THE TERMS OF) sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of (SUCH) *the* awards (SHALL) revert to the board scholarship or grant-in-aid account.

Sec. 37. Minnesota Statutes 1984, section 136A.132, subdivision 3, is amended to read:

Subd. 3. (ANY STUDENT ATTENDING AN ELIGIBLE INSTITUTION LESS THAN FULL-TIME AND PURSUING A PROGRAM OR COURSE OF STUDY LEADING TO A DEGREE, DIPLOMA OR CERTIFICATE SHALL BE ELIGIBLE FOR A PART-TIME STUDENT GRANT-IN-AID) *An applicant is eligible to be considered for a part-time student grant if the applicant:*

(a) *is a resident of the state of Minnesota;*

(b) *is an undergraduate student who has not earned a baccalaureate degree, except that a post-baccalaureate student enrolled in an undergraduate or graduate program who had been enrolled in the same program and had received a part-time grant during the 1984-1985 school year shall be eligible to be considered for a part-time student grant in the 1985-1986 school year;*

(c) is pursuing a program or course of study that applies to a degree, diploma, or certificate; and

(d) is attending an eligible institution (1) in the 1985-1986 academic year less than full time as defined by the board, or (2) after July 1, 1986, either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board.

Sec. 38. Minnesota Statutes 1984, section 136A.132, subdivision 4, is amended to read:

Subd. 4. A recipient of a part-time grant-in-aid shall be selected by the post-secondary education institution of attendance in accordance with guidelines, (CRITERIA,) policies and (PROCEDURES) rules established by the higher education coordinating board.

Sec. 39. Minnesota Statutes 1984, section 136A.132, subdivision 5, is amended to read:

Subd. 5. The amount of any part-time student grant-in-aid award shall be based on the need of the applicant determined by the institution in accordance with policies and rules established by the higher education coordinating board (BUT THE AMOUNT OF AN AWARD SHALL NOT EXCEED THE COST OF TUITION AND REQUIRED FEES PAID OR TO BE PAID BY THE STUDENT OR THE COST OF TUITION AND FEES FOR A COMPARABLE PROGRAM AT THE UNIVERSITY OF MINNESOTA, WHICHEVER IS THE LESSER).

Sec. 40. Minnesota Statutes 1984, section 136A.132, subdivision 6, is amended to read:

Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms as follows:

(a) In the 1985-1986 academic year a recipient of an award who is enrolled less than full time as defined by the board may apply for additional awards.

(b) After July 1, 1986, a recipient of an award who is enrolled less than half time as defined by the board may apply for additional awards.

A new or returning student enrolled at least half time but less than full time as defined by the board and pursuing a

program or course of study that applies to a degree, diploma, or certificate shall be eligible for an award for only one term.

Sec. 41. Minnesota Statutes 1984, section 136A.15, subdivision 7, is amended to read:

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. *A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.* Eligible student, except for purposes of section 136A.1701, includes parents of an eligible student as the term "parent" is defined in the Higher Education Act of 1965, as amended, and the regulations promulgated thereunder. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term auxiliary is defined in the Higher Education Act of 1965, as amended, and the regulations promulgated thereunder.

Sec. 42. Minnesota Statutes 1984, section 136A.162, is amended to read:

136A.162 [CLASSIFICATION OF DATA.]

All data on applicants for financial assistance collected and used by the higher education coordinating board for (THE PURPOSES OF) student financial aid programs administered by that board shall be classified as private data on individuals (PURSUANT TO) *under* section 13.02, subdivision 12. Exceptions to this classification are *that*:

(a) the names and addresses of program recipients or participants *are public data*; and

(b) *the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency:*

- (1) *the lender-assigned borrower identification number;*
- (2) *the name and address of borrower;*
- (3) *the name and address of cosigner;*
- (4) *the date the account is opened;*
- (5) *the outstanding account balance;*
- (6) *the dollar amount past due;*

- (7) *the number of payments past due;*
- (8) *the number of late payments in previous 12 months;*
- (9) *the type of account;*
- (10) *the responsibility for the account; and*
- (11) *the status or remarks code.*

Sec. 43. Minnesota Statutes 1984, section 136A.233, subdivision 2, is amended to read:

Subd. 2. For purposes of sections 136A.231 to 136A.235, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution. *A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.*

(b) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(c) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(d) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.

Sec. 44. [136A.84] [INFORMATION TO EIGHTH GRADERS.]

Beginning in 1986, the higher education coordinating board shall send information to all eighth graders in Minnesota and their parents by April 1 of each year, informing them of the need to plan for their post-secondary education. The information shall emphasize at least the following:

- (1) *the need to start planning prior to the high school years;*
- (2) *the availability of assistance in educational planning, if necessary, from educational institutions;*

- (3) *suggestions for studying effectively during high school;*
- (4) *a planning chart for high school courses which are necessary to be adequately prepared for post-secondary education;*
- (5) *encouragement to actively involve parents in the planning and learning process;*
- (6) *a list of post-secondary educational institutions existing in the state and their respective missions and expectations for students entering their institutions; and*
- (7) *the costs of post-secondary education and the availability of assistance in meeting these costs.*

The higher education coordinating board shall consult with the post-secondary systems, the department of education, secondary school counselors, and other appropriate groups in developing and disseminating the above information.

Sec. 45. Minnesota Statutes 1984, section 136C.04, subdivision 4a, is amended to read:

Subd. 4a. [CARRY OVER AUTHORITY.] The state board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The state board may carry over (AN) *any* unexpended balance (UP TO A MAXIMUM OF TWO PERCENT OF ITS BIENNIAL APPROPRIATION) into the following biennium. (THESE MONEYS SHALL) *The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.*

Sec. 46. Minnesota Statutes 1984, section 136C.04, subdivision 15, is amended to read:

Subd. 15. [PUBLIC HEARINGS.] The state board shall conduct public hearings when merging or reorganizing institutions (AND WHEN ALLOCATING MONEY). Notice shall be given to affected persons in the manner determined by the state board. All affected persons shall be given the opportunity to be heard, but the state board may impose reasonable restrictions on time. The state board shall take final action at a meeting held at least seven days after the public hearing.

Sec. 47. Minnesota Statutes 1984, section 136C.07, is amended by adding a subdivision to read:

Subd. 5a. *A school district, intermediate district, or joint vocational technical district must not award final contracts for capital improvements until the state director has reviewed*

the final plans, specifications, and cost estimates and made recommendations on them.

Sec. 48. Minnesota Statutes 1984, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle. Parking fees collected shall be deposited in the general or (CAPITAL EXPENDITURE) *repair and betterment* fund of the school district or joint school district.

Sec. 49. Minnesota Statutes 1984, section 136C.13, subdivision 3, is amended to read:

Subd. 3. [VETERAN'S EXEMPTION.] A veteran enrolled in a tuition free AVTI program before July 1, 1985, who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

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

Sec. 50. Minnesota Statutes 1984, section 136C.13, is amended by adding a subdivision to read:

Subd. 4. [VIETNAM VETERAN'S EXEMPTION.] A Vietnam veteran who enrolls in a tuition free AVTI program before July 1, 1990, and who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

"Vietnam veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961, and before July 1, 1978, and who became eligible for the Vietnam Expeditionary Medal or the Vietnam Service Medal as a result of the service, was a Minnesota resident at the time

of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 51. Minnesota Statutes 1984, section 136C.26, subdivision 4, is amended to read:

Subd. 4. [COMPONENT ACTIVITIES.] "Component activities" means regular instruction, special needs instruction, *part-time instruction*, research, instructional administration, media/library, (PUPIL) *student* personnel services, health services, director's office, instructional services, fixed costs, work (STUDY/FINANCIAL) *study*, *financial aid*, physical plant, and repair and betterment.

Sec. 52. Minnesota Statutes 1984, section 136C.26, subdivision 5, is amended to read:

Subd. 5. [INSTRUCTIONAL AID.] "Instructional aid" means state money, exclusive of (REPAIR AND BETTERMENT AID AND) debt service aid, allocated by the state board of vocational technical education to districts for post-secondary *and part-time* vocational technical education instructional costs.

Sec. 53. Minnesota Statutes 1984, section 136C.28, subdivision 2, is amended to read:

Subd. 2. [RECOMMENDED ALLOCATIONS.] After reviewing each budget, the state director (OF VOCATIONAL TECHNICAL EDUCATION) shall recommend aid allocations *to the state board* for the following fiscal year (IN EACH EXPENDITURE CATEGORY FOR EACH PROGRAM AND COMPONENT ACTIVITY).

The state director shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction.

(NOTWITHSTANDING ANY LAWS OR RULES TO THE CONTRARY, THE RECOMMENDATIONS FOR ALLOCATIONS OF INSTRUCTIONAL AID, TO THE EXTENT POSSIBLE, SHALL BE BASED ON AVERAGE SYSTEMWIDE ADM TO TEACHER RATIOS OF 12 TO 1 FOR HEALTH PROGRAMS AND 17 TO 1 FOR NONHEALTH PROGRAMS.)

(THE ANNUAL STUDENT PLACEMENT RATE OF EACH PROGRAM SHALL BE TAKEN INTO CONSIDERATION BY THE DEPARTMENT IN RECOMMENDING INSTRUCTIONAL AID ALLOCATIONS.)

Each AVTI's tuition revenues in the fiscal year for which aid is allocated shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's unappropriated (CAPITAL) balance of the equipment (ACCOUNT IN THE CAPITAL) expenditure fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the state director in recommending instructional aid allocations for the purposes listed in section 136C.29, subdivision 3, clauses (a), (b), (c), and (d). In recommending instructional aid allocations for all other purposes, the department shall take into consideration each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds ten percent of the AVTI's operating expenditures, as defined by UFARS, for the fiscal year during which allocations are made.

(EACH AVTI'S ACTUAL EXPENDITURES WHICH EXCEED THE AMOUNTS ORIGINALLY BUDGETED FOR EXPENDITURE DURING THE FOURTH QUARTER OF THE FISCAL YEAR IN WHICH AIDS ARE ALLOCATED SHALL BE TAKEN INTO CONSIDERATION BY THE STATE DIRECTOR IN RECOMMENDING INSTRUCTIONAL AID ALLOCATIONS.)

(ALLOCATIONS OF REPAIR AND BETTERMENT AID SHALL BE RECOMMENDED FOR EACH PROJECT PROPOSED BY AN AVTI.) In recommending repair and betterment aid allocations, the state director shall take into consideration each AVTI's net positive unappropriated (CAPITAL) balance of the repair and betterment (ACCOUNT OF THE CAPITAL EXPENDITURE) fund, as of June 30 of the fiscal year during which allocations are made. *The recommendations must follow procedures for aid allocations set by the state board.*

Sec. 54. Minnesota Statutes 1984, section 136C.29, subdivision 5, is amended to read:

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 136C.07, subdivision (4A) 5. The aid shall be placed in the repair and betterment fund and used solely for the purposes enumerated in section 136C.26, subdivision 8. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the state director. The process in section 136C.28 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 136C.07, subdivision (4A) 5.

Sec. 55. Minnesota Statutes 1984, section 136C.33, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] Membership for (PUPILS) *students* in AVTI's shall mean the number of (PUPILS)

students on the current roll of the school, counted from the date of entry until the date of withdrawal, according to policies adopted by the state board.

Sec. 56. Minnesota Statutes 1984, section 136C.34, is amended to read:

136C.34 [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a (PUPIL) student is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the (PUPIL) student may request the AVTI to remain on the roll in the educational program in which the (PUPIL) student is enrolled, according to policies adopted by the state board. The AVTI shall grant a request it receives from the (PUPIL) student.

Sec. 57. [136C.361] [100 PERCENT PAYMENT.]

Subdivision 1. Notwithstanding any law to the contrary, the final adjustment paid to each district for the 1984-1985 school year according to section 136C.36 shall be paid on or before June 30 of the fiscal year of entitlement.

Subd. 2. For the 1985-1986 school year, and later school years, 100 percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 24 uniform payments on the first business day before the 15th of each month and the first business day before the last day of each month.

Sec. 58. Minnesota Statutes 1984, section 137.022, is amended to read:

137.022 [PERMANENT UNIVERSITY FUND (, INVESTMENT).]

Subdivision 1. [INVESTMENT.] The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, Article XI, Section 9. All securities and cash held in the state treasury credited to the permanent university fund heretofore unappropriated or unencumbered are hereby transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them, with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered

offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules and regulations established by the department of commerce. Such investments shall be restricted to those authorized as eligible for use in the Minnesota post-retirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio.

Subd. 2. [INCOME.] The income from the permanent university fund (SHALL BE SUBJECT TO APPROPRIATIONS) is appropriated annually to the board of regents (BY THE LEGISLATURE FROM TIME TO TIME). This appropriation of income must not be used to reduce other appropriations made to the board of regents. The determination of such income shall be based on the procedures detailed in sections 11A.16, subdivision 5, or 11A.12, subdivision 2.

Subd. 3. [ENDOWED CHAIRS.] The annual appropriation of the income from the permanent university fund without a reduction of other appropriations is intended for the board of regents to use to provide an average of one-half of the funds needed to endow from 50 to 70 professorial chairs in academic disciplines. An average of at least one-half of the funds to endow the chairs must be provided from nonstate sources. One-half of the funds needed to endow an individual chair need not be from nonstate sources.

Sec. 59. Minnesota Statutes 1984, section 141.23, is amended to read:

141.23 [RULES (AND REGULATIONS).]

The state board of education may adopt rules (AND REGULATIONS) according to chapter 14 to carry out the provisions of (SECTIONS 141.21 TO 141.36 PURSUANT TO CHAPTER 14) this chapter.

Sec. 60. Minnesota Statutes 1984, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by (\$200) \$440 as a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of (\$150) \$330.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall

be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 61. Minnesota Statutes 1984, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG OR BROCHURE.] ((A) NO) *Before a license (SHALL BE) is issued to a school, other than one which offers exclusively a correspondence course of instruction, (UNTIL SUCH) the school (HAS FURNISHED) shall furnish to the commissioner a catalog or brochure containing the following:*

((A)) (1) Identifying data, such as volume number and date of publication;

((B)) (2) Name and address of the school and its governing body and officials;

((C)) (3) A calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

((D)) (4) School policy and regulations on enrollment (WITH RESPECT TO ENROLLMENT) *including* dates and specific entrance requirements for each course;

((E)) (5) School policy and regulations (RELATIVE TO) *about* leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

((F)) (6) School policy and regulations (RELATIVE TO) *about* standards of progress (REQUIRED OF) *for* the student (BY THE SCHOOL WHICH POLICY MUST DEFINE) *including* the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress (AND), a description of (THE) *any* probationary period (, IF ANY,) allowed by the school, and conditions of re-entrance for those dismissed for unsatisfactory progress;

((G)) (7) School policy and regulations (RELATIVE TO) *about* student conduct and conditions for dismissal for unsatisfactory conduct;

((H)) (8) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

((I)) (9) Policy and regulations (OF THE SCHOOL RELATIVE TO THE REFUND OF THE UNUSED PORTION OF), *including an explanation of section 141.271, about refunding tuition, fees, and other charges (IN THE EVENT) if the student does not enter the course (OR), withdraws, or is discontinued (THEREFROM, WHICH POLICY SHALL INCLUDE AN EXPLANATION OF ALL PROVISIONS OF SECTION 141.271);*

((J)) (10) A description of the available facilities and equipment;

((K)) (11) A course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time (OR CLOCK HOURS) to be spent on each subject or unit; *and*

((L)) (12) Policy and regulations (OF THE SCHOOL RELATIVE TO) *about granting credit for previous education and training.*

((B)) *Subd. 9a. [CORRESPONDENCE CATALOG.] (NO) Before a license (SHALL BE) is issued to a school (WHICH OFFERS) exclusively offering a correspondence course of instruction, (UNTIL SUCH) the school (HAS FURNISHED) shall furnish to the commissioner a catalog or brochure containing the following:*

((A) IDENTIFYING DATA SUCH AS VOLUME NUMBER AND DATE OF PUBLICATION;)

((B) NAME AND ADDRESS OF THE SCHOOL, ITS GOVERNING BODY AND OFFICIALS;)

((C) SCHOOL POLICY AND REGULATIONS ON ENROLLMENT WITH RESPECT TO ENROLLMENT DATES AND SPECIFIC ENTRANCE REQUIREMENTS FOR EACH COURSE;)

((D)) (1) School policy and regulations (RELATIVE TO) *about standards of progress (REQUIRED OF) for the student (BY THE SCHOOL WHICH POLICY MUST DEFINE) including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress (AND), a description of (THE) any probationary period (, IF ANY,) allowed by the school, and conditions of re-enrollment for those students terminated for unsatisfactory progress;*

((E) DETAILED SCHEDULE OF FEES, CHARGES FOR TUITION, BOOKS, SUPPLIES, TOOLS, STUDENT ACTIVITIES, LABORATORY FEES, SERVICE CHARGES, RENTALS, DEPOSITS, AND ALL OTHER CHARGES;)

((F) POLICY AND REGULATIONS OF THE SCHOOL RELATIVE TO THE REFUND OF THE UNUSED PORTION OF TUITION, FEES AND OTHER CHARGES IN THE EVENT THE STUDENT DOES NOT ENTER THE COURSE OR WITHDRAWS OR IS DISCONTINUED THEREFROM, WHICH POLICY SHALL INCLUDE AN EXPLANATION OF ALL PROVISIONS OF SECTION 141.271;)

((G) A DESCRIPTION OF FACILITIES AND EQUIPMENT USED BY THE SCHOOL;)

((H)) (2) A course outline for each course offered showing course objectives, subjects or units in each lesson of the course, type of work or skill to be learned, and the total number of lessons for each course of instruction; *and*

((I) POLICY AND REGULATIONS OF THE SCHOOL RELATIVE TO GRANTING CREDIT FOR PREVIOUS EDUCATION AND TRAINING.)

(3) *All items listed in subdivision 9, except items in clauses (3) and (5).*

((C)) *Subd. 9b.* [DELIVERY OF CATALOG.] (EACH) A school or its agent (THEREOF) shall deliver the catalog or brochure required in (SUBDIVISION) *subdivisions 9 and 9a* to each prospective student in such time or manner as to provide the prospective student ample opportunity to read (SAID) *the* catalog or brochure before signing any contract or enrollment agreement or before being accepted by a school which does not utilize a written contract or enrollment agreement.

Sec. 62. Minnesota Statutes 1984, section 141.25, subdivision 10, is amended to read:

Subd. 10. [PLACEMENT RECORDS.] (a) (NO) *Before* a license (SHALL BE) is issued to a school (WHICH) *that* offers, advertises or implies a placement service (UNTIL), the school (FILES) *shall file* with the commissioner for the past year and thereafter at *reasonable* intervals (TO BE) determined by the commissioner, a certified copy of the school's placement record, containing a list of graduates, a description of their job, name of their employer, and (SUCH) other information as the commissioner may prescribe.

(b) Each school (WHICH) *that* offers a placement service shall furnish to each prospective student, prior to enrollment, *written* information concerning the percentage of the previous year's graduates who were placed in the occupation for which trained.

Sec. 63. Minnesota Statutes 1984, section 141.25, is amended by adding a subdivision to read:

Subd. 12. [PERMANENT RECORDS.] Before a license is issued to a school, each school located in Minnesota shall maintain permanent records for all students enrolled at any time. Each school offering a correspondence course of instruction to a student located in Minnesota shall maintain permanent records for Minnesota students enrolled at any time. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

(a) at least one copy of the records must be held in a secure depository;

(b) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

(c) an alternative method of complying with paragraphs (a) and (b) must be established if the school ceases to exist; and

(d) a continuous surety bond must be filed with the department in an amount not to exceed \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.

Sec. 64. Minnesota Statutes 1984, section 141.26, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR PERMIT.] (a) The application for (SUCH) the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the commissioner may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of Minnesota Statutes, Chapter 141 and Minnesota (REGULATIONS, CHAPTER 20) Rules, parts 3530.6500 to 3530.7800.

Sec. 65. Minnesota Statutes 1984 section 141.26, subdivision 5, is amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of (\$75) \$165.

Sec. 66. Minnesota Statutes 1984, section 141.28, subdivision 4, is amended to read:

Subd. 4. [ACCEPTANCE OF CONTRACTS.] No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit (AS REQUIRED BY LAWS 1973, CHAPTER 714).

Sec. 67. Minnesota Statutes 1984, section 141.32, is amended to read:

141.32 [PENALTY.]

Violation of any provisions of (SECTIONS 141.21 TO 141.36) *this chapter* shall be a misdemeanor. Each day's failure to comply with (THE PROVISIONS OF LAWS 1973, CHAPTER 714) *this chapter* shall be a separate violation.

Sec. 68. [GRADUATE FELLOWSHIPS.]

Subdivision 1. [PROGRAM.] It is the intention of the legislature that the University of Minnesota focus its commitment to become one of the premier universities in the nation. The legislature believes that a plan to place emphasis on graduate education is a major step in achieving this goal, if it is done in cooperation and consultation with the other post-secondary systems in Minnesota.

In order to help achieve a higher level of excellence, a pilot program of graduate fellowships is established. These fellowships are intended to reward outstanding graduate students and to aid in the effort to recruit graduate students with high potential. Because the core of any great university lies in its liberal arts offerings, these fellowships should especially be directed toward students pursuing graduate degrees in liberal arts programs. The number of fellowships to be awarded should be sufficiently limited to ensure that each student receives an adequate award.

Subd. 2. [UNIVERSITY REPORT.] By January 15, 1987, the University of Minnesota shall report on the distribution of these awards and their use in furthering the University of Minnesota's efforts to focus its mission and improve its programs, particularly in the liberal arts.

Subd. 3. [INCLUSION IN GRADUATE STUDY.] The higher education coordinating board, as part of its graduate financial need study, shall review the graduate fellowship program to determine the effects of its implementation in meeting financial need and in encouraging and recruiting outstanding students. This review shall be conducted in cooperation with the University of Minnesota. The board shall report its findings and

recommendations to the legislature as part of its graduate need report.

Sec. 69. [PEER COUNSELING.]

Subdivision 1. [PILOT PROGRAMS.] The higher education coordinating board shall develop a pilot program for peer counseling in financial aid. This program shall consist of trained students employed in the financial aid offices of post-secondary institutions to offer counseling to post-secondary students and outreach services to secondary and other potential students. Students selected to be peer counselors shall be eligible for and compensated through work-study grants.

Subd. 2. [TRAINING.] The higher education coordinating board shall develop a training program to prepare students to become peer counselors. Counselors shall be trained to begin working prior to the start of the 1986 application period for state scholarships and grants.

Subd. 3. [APPLICATIONS.] All public and private post-secondary institutions in Minnesota are eligible to apply to participate in the pilot program. Applicants shall propose the manner in which they intend to utilize peer counselors, including plans for serving current students and outreach services for potential students. Each proposal shall provide for the necessary number of counselors to meet the needs of the students at a maximum ratio of one counselor for 500 students. Each proposal shall also specify the manner in which students are to be selected as counselors, including necessary criteria to assure the selection of well qualified students. The higher education coordinating board shall develop necessary procedures for institutions to follow in developing and filing their applications.

Subd. 4. [SELECTION.] The higher education coordinating board shall select three institutions from those applying for the initial pilot program to begin in February 1986 and run through the 1986-1987 academic year. Institutions shall be selected on the basis of the proposals contained in their applications.

Subd. 5. [ALLOCATIONS.] The higher education coordinating board shall determine the allocation of funds to each selected institution based on the number of students employed for approximately ten hours per week at a rate of approximately \$4 per hour.

Sec. 70. [TASK FORCE ON PRIVATE PROPRIETARY SCHOOLS.]

Subdivision 1. There is created a task force on private proprietary schools whose purpose is to study issues and make recommendations relating to private proprietary schools.

Subd. 2. The task force shall consist of 11 members as follows: one member appointed by the higher education coordinating board; one member appointed by the state board of education; one member appointed by the Minnesota association of private post-secondary schools; one member appointed by the private college council; one member appointed by the governor to represent schools regulated under Minnesota Statutes, chapter 141, that are not members of the Minnesota association of private post-secondary schools; one member appointed by the governor to represent institutions registered under Minnesota Statutes, sections 136A.61 to 136A.71, that are not members of the private college council; one member appointed by the governor to represent schools regulated by Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71; and four members appointed by the governor who are knowledgeable about the areas of study. The task force shall elect a chair from its membership.

Subd. 3. The task force shall:

(1) study the appropriate agency to regulate private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71;

(2) study statutes and rules that apply to private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71, as well as other related statutes, rules, and policies;

(3) study the regulations in other states concerning the types of schools being studied;

(4) make recommendations for any changes that may be needed to implement appropriate and equitable regulation of the various types of schools. In making the recommendations the task force may consider statutes and policies in effect for similar public institutions; and

(5) examine and make recommendations on awarding of course credit for work completed in private proprietary schools and the issue of transferring credit from these schools to other public or private institutions.

The task force study and report shall be coordinated by the higher education coordinating board.

Subd. 4. The department of education and the higher education coordinating board shall provide staff assistance and information for the task force. Compensation of task force members shall be according to Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. By February 1, 1986, the task force shall submit to the education committee of the legislature its report and recommendations. The task force shall terminate on June 30, 1986.

Sec. 71. [GRADUATE FINANCIAL NEED STUDY.]

The higher education coordinating board shall study the need for financial aid for post-baccalaureate undergraduate and graduate students with consideration of aid currently available, loan indebtedness, and the costs of graduate and professional education. The board shall report its findings and recommendations to the legislature by February 1, 1987.

Sec. 72. [REPORTS.]

Subdivision 1. The higher education coordinating board shall present a report on the findings and activities regarding information technology as described in section 20 by December 1, 1986.

Subd. 2. The higher education coordinating board shall report to the legislature on actions by the systems and progress toward differentiation and intersystem planning efforts according to section 13. The report shall be presented in conjunction with the system planning reports by December 1, 1986.

Sec. 73. [FARM ASSET.]

The higher education coordinating board shall study the impact of farm assets and debts on eligibility for state scholarships and grants. The board shall report its findings and recommendations to the legislature by February 1, 1986.

Sec. 74. [NOTIFICATION.]

The higher education coordinating board shall notify high school counselors, college financial aid officers, and the public at large regarding the availability of financial aid and methods to use in applying for it in order to reach potential 1985-1986 scholarship and grant applicants, particularly those from rural farm and business families.

Sec. 75. [LEGISLATIVE AUDITOR'S STUDY.]

According to Minnesota Statutes, section 3.97, subdivision 7, the legislative auditor is requested to review the method used to determine the need a student has for financial aid for post-secondary education. The review shall include the effect of the present method on students and parents who have various types of assets and modest income, such as farmers, small business owners, home owners without large mortgages, and others. Al-

ternate methods of calculating parental contributions that are more closely related to income shall be considered by the auditor. A report of the review and recommendations shall be submitted to the legislature by February 1, 1986.

Sec. 76. [EMERGENCY RULES.]

Subdivision 1. [PART-TIME STUDENT GRANT PROGRAM.] The higher education coordinating board shall adopt emergency rules under Minnesota Statutes, sections 14.29 to 14.36 to implement the part-time student grant program under Minnesota Statutes, section 136A.132, as amended, for the 1985-1986 academic year. Notwithstanding Minnesota Statutes, section 14.35, the emergency rules are effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

Subd. 2. [SUPPLEMENTAL AND ADDITIONAL LOAN PROGRAM.] The higher education coordinating board shall adopt emergency rules pursuant to Minnesota Statutes, sections 14.29 to 14.36 to implement Minnesota Statutes 1984, section 136A.1701, for the 1984-1985 academic year. Notwithstanding Minnesota Statutes, section 14.35, the temporary rules may be effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

Sec. 77. [REPEALER.]

Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.36; 136C.37; and 136C.38, are repealed.

Sec. 78. [EFFECTIVE DATES.]

Subdivision 1. [IMMEDIATE.] Sections 37, 38, 39, 40, 57, 70, and 76 are effective the day following final enactment.

Subd. 2. [JULY 1, 1986.] Sections 23, subdivision 7; 24; 25; and 32 are effective July 1, 1986."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; providing for staff assistance, average cost of instruction, appropriations carry over author-

ity, a science and technology center, financial aid, credit transferability, surveys, studies, reports, notices, planning, policy development, mission statements, task forces, private proprietary schools, state university parking, annual appropriations, aid payments, review of vocational capital improvements, veterans' vocational program exemptions, vocational budgets and programs, endowed chairs, and pilot programs; amending Minnesota Statutes 1984, sections 121.02, by adding a subdivision; 135A.03, subdivision 4; 135A.05; 135A.06; 136.031; 136A.042; 136.67, subdivision 5; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; 136A.15, subdivision 7; 136A.162; 136A.233, subdivision 2; 136C.04, subdivisions 4a and 15; 136C.07, by adding a subdivision; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.29, subdivision 5; 136C.33, subdivision 1; 136C.34; 137.022; 141.23; 141.25, subdivisions 8, 9, 10, and by adding a subdivision; 141.26, subdivisions 2 and 5; 141.28, subdivision 4; 141.32; proposing coding for new law in Minnesota Statutes, chapters 136 and 136A."

The motion prevailed and the amendment was adopted.

The Speaker called Halberg to the Chair.

Erickson moved to amend S. F. No. 1523, as amended, as follows:

Page 22, after line 26, insert:

"Sec. 14. Minnesota Statutes 1984, section 135A.07, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of chapters 15A and 43A (AND ANY OTHER LAW PASSED DURING THE 1983 LEGISLATIVE SESSION), the state university board, the community college board, the higher education coordinating board, (THE STATE BOARD OF EDUCATION,) and the state board of vocational technical education may establish salaries for the chancellor, executive director, (COMMISSIONER,) and the state director, respectively, based on the level of responsibility and authority of the positions. The boards may also consider appropriate market comparisons with comparable positions in the midwest."

Page 23, after line 1, insert:

"Sec. 16. [136.035] [BOARD MAY SET SOME EXECUTIVE SALARIES.]

Notwithstanding chapter 43A, the state university board may establish a management compensation plan and set executive salaries within the state university system, except for the salary of the chancellor, based on the level of responsibility and authority of various positions as well as appropriate market comparisons with similar positions in comparable public colleges and universities in the midwest."

Page 52, line 7, after "sections" insert "135A.07, subdivision 2;"

Renumber the sections in sequence

Amend the title as follows :

Page 53, line 21, after the last semicolon insert "135A.07, subdivision 1;"

Page 53, line 35, before the period insert "*repealing Minnesota Statutes 1984, sections 135A.07, subdivision 7; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.36; 136C.37; and 136C.38*"

The motion prevailed and the amendment was adopted.

Knuth moved to amend S. F. No. 1523, as amended, as follows :

Page 52, after line 5, insert a new section to read :

"Section 77. [LEGISLATIVE INTENT ON TUITION.] *It is the intent of the Legislature that for the 1985-1987 biennium the estimated tuition revenue should be approximately 31 percent of instructional cost for the University of Minnesota, the state university system and the community college system, and 23 percent for the area vocational-technical institutes."*

Renumber the remaining sections

A roll call was requested and properly seconded.

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

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

There were 57 yeas and 69 nays as follows :

Those who voted in the affirmative were:

Battaglia	Jaros	Metzen	Piper	Solberg
Beard	Jennings, L.	Munger	Price	Sparby
Begich	Kahn	Murphy	Quinn	Tomlinson
Brandl	Kalis	Nelson, D.	Rest	Tunheim
Brown	Kelly	Nelson, K.	Rice	Vellenga
Carlson, L.	Knuth	Neuenschwander	Riveness	Voss
Clark	Kostohryz	Norton	Rodosovich	Welle
Cohen	Krueger	O'Connor	Sarna	Wenzel
Elioff	Lieder	Osthoff	Scheid	Wynia
Ellingson	Long	Otis	Schoenfeld	
Greenfield	McEachern	Pappas	Segal	
Jacobs	McLaughlin	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dimler	Heap	Onnen	Sherman
Backlund	Dyke	Himle	Ozment	Stanius
Becklin	Erickson	Johnson	Pauly	Sviggum
Bennett	Fjoslien	Kiffmeyer	Piepho	Thiede
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thorson
Blatz	Frederick	Kvam	Quist	Tjornhom
Boerboom	Frederickson	Levi	Redalen	Tompkins
Boo	Frerichs	Marsh	Rees	Uphus
Burger	Gruenes	McDonald	Richter	Valan
Carlson, D.	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Halberg	McPherson	Schafer	Waltman
Clausnitzer	Hartinger	Miller	Schreiber	Zaffke
Dempsey	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Haukoos	Omann	Shaver	

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

The Speaker resumed the Chair.

Price moved to amend S. F. No. 1523, as amended, as follows:

Page 18, after line 25, insert a new section to read:

"Sec. 11. Minnesota Statutes 1984, section 135A.03, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF APPROPRIATION.] The appropriation to each board for instructional services shall equal the total cost of instruction minus the estimated tuition revenue. For the 1985-1987 biennium the estimated tuition revenue should be approximately (33) 31 percent of instructional cost for the University of Minnesota, the state university system and the community college system, and (25) 23 percent for the area vocational-technical institutes."

Page 52, after line 5, insert a new section to read:

"Sec. 77. [APPROPRIATION TRANSFER.] *There is established in the treasury of the state a separate account known as*

the post-secondary tuition fund. The commissioner of finance shall transfer from the unexpended balance of the general fund for fiscal year 1985 an amount sufficient to meet the requirements of funding the difference between 33 and 31 percent for the instructional cost for the University of Minnesota, the state university system and the community college system, and between 25 and 23 percent for the instructional cost for the area vocational-technical institutes. The commissioner of finance shall determine the appropriate amounts needed to meet the requirements of Minnesota Statutes 1984, section 135A.03, subdivision 1, and shall transfer such amounts to each board for payments required under this section."

Renumber the sections in sequence

A roll call was requested and properly seconded.

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

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

There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jaros	Metzen	Piper	Solberg
Beard	Jennings, L.	Munger	Price	Sparby
Begich	Kahn	Murphy	Quinn	Staten
Brandl	Kalis	Nelson, D.	Rest	Tomlinson
Brown	Kelly	Nelson, K.	Rice	Tunheim
Carlson, L.	Knuth	Neuenschwander	Riveness	Vellenga
Clark	Kostohryz	Norton	Rodosovich	Voss
Cohen	Krueger	O'Connor	Sarna	Welle
Elioff	Lieder	Osthoff	Scheid	Wenzel
Ellingson	Long	Otis	Schoenfeld	Wynia
Greenfield	McEachern	Pappas	Segal	
Jacobs	McLaughlin	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dimler	Heap	Onnen	Sherman
Backlund	Dyke	Himle	Ozment	Stanisus
Becklin	Erickson	Johnson	Pauly	Sviggum
Bennett	Fjoslien	Kiffmeyer	Piepho	Thiede
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thorson
Blatz	Frederick	Kvam	Quist	Tjornhom
Boerboom	Frederickson	Levi	Redalen	Tompkins
Boo	Frerichs	Marsh	Rees	Uphus
Burger	Gruenes	McDonald	Richter	Valan
Carlson, D.	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Halberg	McPherson	Schafer	Waltman
Clausnitzer	Hartinger	Miller	Schreiber	Zaffke
Dempsey	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Haukoos	Omann	Shaver	

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

Carlson, L., moved to amend S. F. No. 1523, as amended, as follows:

Page 52, after line 5, insert a new section to read:

"Sec. 77. [SPECIAL REVENUE FUNDS.]

(a) *Notwithstanding any law to the contrary, the commissioner of finance shall establish a special revenue fund in the state treasury called the community college tuition and fee account and shall deposit all student tuition and fees into this account. Funds in this account shall be expended in accordance with Minnesota Statutes 136.67.*

(b) *Notwithstanding any law to the contrary, the commissioner of finance shall establish a special revenue fund in the state treasury called the state university tuition and fee account and shall deposit all student tuition and fees into this account. Funds in this account shall be expended in accordance with Minnesota Statutes 136.11.*

(c) *The commissioner of finance shall not account in the general fund books of the state tuition and fees of the University of Minnesota."*

Renumber the remaining sections.

A roll call was requested and properly seconded.

The question was taken on the Carlson, L., amendment and the roll was called.

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

There were 58 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	McLaughlin	Piper	Skoglund
Battaglia	Jaros	Metzen	Price	Solberg
Beard	Jennings, L.	Munger	Quinn	Sparby
Begich	Kahn	Murphy	Rest	Tomlinson
Brandl	Kalis	Nelson, D.	Rice	Tunheim
Brown	Kelly	Nelson, K.	Riveness	Vellenga
Carlson, L.	Knuth	Neuenschwander	Rodosovich	Voss
Clark	Kostohryz	Norton	Sarna	Welle
Cohen	Krueger	O'Connor	Scheid	Wenzel
Elioff	Lieder	Osthoff	Schoenfeld	Wynia
Ellingson	Long	Otis	Segal	
Greenfield	McEachern	Peterson	Simoneau	

Those who voted in the negative were:

Anderson, R.	Dyke	Himle	Ozment	Sviggum
Backlund	Erickson	Johnson	Pauly	Thiede
Becklin	Fjoslien	Kiffmeyer	Piepho	Thorson
Bennett	Forsythe	Knickerbocker	Poppenhagen	Tjornhom
Bishop	Frederick	Kvam	Quist	Tompkins
Blatz	Frederickson	Levi	Rees	Uphus
Boerboom	Frerichs	Marsh	Richter	Valan
Burger	Gruenes	McDonald	Rose	Valento
Carlson, D.	Gutknecht	McKasy	Schafer	Waltman
Carlson, J.	Halberg	McPherson	Schreiber	Zaffke
Clausnitzner	Hartinger	Miller	Seaberg	Spk. Jennings, D.
Dempsey	Hartle	Olsen, S.	Shaver	
DenOuden	Haukoos	Omman	Sherman	
Dimler	Heap	Onnen	Stanisus	

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

S. F. No. 1523, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kostohryz	Ozment	Sherman
Anderson, R.	Erickson	Krueger	Pappas	Simoneau
Backlund	Fjoslien	Kvam	Pauly	Skoglund
Battaglia	Forsythe	Levi	Peterson	Solberg
Beard	Frederick	Lieder	Piepho	Sparby
Becklin	Frederickson	Long	Piper	Stanius
Begich	Frerichs	Marsh	Poppenhagen	Sviggunn
Bennett	Greenfield	McDonald	Price	Thiede
Bishop	Gruenes	McEachern	Quinn	Thorson
Blatz	Gutknecht	McKasy	Quist	Tjornhom
Boerboom	Halberg	McLaughlin	Redalen	Tomlinson
Boo	Hartinger	McPherson	Rees	Tompkins
Brandl	Hartle	Metzen	Rest	Tunheim
Brown	Haukoos	Miller	Rice	Uphus
Burger	Heap	Munger	Richter	Valan
Carlson, D.	Himle	Murphy	Riveness	Valento
Carlson, J.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Jaros	Nelson, K.	Rose	Voss
Clark	Jennings, L.	Neuenschwander	Sarna	Waltman
Clausnitzer	Johnson	Norton	Schafer	Welle
Cohen	Kahn	O'Connor	Scheid	Wenzel
Dempsey	Kalis	Olsen, S.	Schoenfeld	Wynia
DenOuden	Kelly	Omann	Schreiber	Zaffke
Dimler	Kiffmeyer	Onnen	Seaberg	Spk. Jennings, D.
Dyke	Knickerbocker	Osthoff	Segal	
Elioff	Knuth	Otis	Shaver	

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

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Beard moved that the names of Battaglia and Sparby be added as authors on H. F. No. 1645. The motion prevailed.

Wenzel moved that S. F. No. 115 be recalled from the Committee on Taxes and together with H. F. No. 5, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Sviggunn moved that S. F. No. 1499 be recalled from the Committee on Taxes and together with H. F. No. 1607, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Peterson moved that H. F. No. 975 be returned to its author. The motion prevailed.

Price and Beard introduced :

House Resolution No. 32, A house resolution congratulating Martin J. Lynch upon completion of a long and successful career with Independent School District No. 833.

The resolution was referred to the Committee on Education.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Tuesday, May 7, 1985.

EDWARD A. BURDICK, Chief Clerk, House of Representatives