

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

ELEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 9, 1989

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Rebecca Tollefson from the Commission on Faith and Order of the Minnesota Council of Churches and First Presbyterian Church, Stillwater, Minnesota.

The Speaker administered the oath of office to the new House member, Linda C. Runbeck, from District 52A. Her certificate of election and a signed and sworn statement of her oath are on file. She was elected in a special election held on Saturday, February 4, 1989, following the resignation of Gordon O. Voss dated January 4, 1989.

The roll was called and the following members were present:

Abrams	Girard	Krueger	Omann	Scheid
Anderson, G.	Greenfield	Lasley	Onnen	Schreiber
Anderson, R.	Gruenes	Lieder	Orenstein	Seaberg
Battaglia	Gutknecht	Limmer	Osthoff	Segal
Bauerly	Hartle	Long	Ostrom	Simoneau
Beard	Hasskamp	Lynch	Otis	Skoglund
Begich	Haukoos	Macklin	Ozment	Solberg
Bennett	Heap	Marsh	Pappas	Sparby
Bertram	Henry	McDonald	Pauly	Stanius
Bishop	Himle	McEachern	Pellow	Steenasma
Blatz	Hugoson	McGuire	Pelowski	Sviggum
Boo	Jacobs	McLaughlin	Peterson	Swenson
Brown	Janezich	McPherson	Poppenhagen	Tjornhom
Burger	Jaros	Milbert	Price	Tompkins
Carlson, D.	Jefferson	Miller	Pugh	Trimble
Carlson, L.	Jennings	Morrison	Quinn	Tunheim
Clark	Johnson, A.	Munger	Redalen	Uphus
Conway	Johnson, R.	Murphy	Reding	Valento
Cooper	Johnson, V.	Nelson, C.	Rest	Vellenga
Dauner	Kahn	Nelson, K.	Rice	Wagenius
Dawkins	Kalis	Neuenschwander	Richter	Waltman
Dempsey	Kelly	O'Connor	Rodosovich	Weaver
Dille	Kelso	Ogren	Rukavina	Welle
Dorn	Kinkel	Olsen, S.	Runbeck	Wenzel
Frederick	Knickerbocker	Olson, E.	Sarna	Williams
Frerichs	Kostohryz	Olson, K.	Schafer	Winter
				Wynia
				Spk. Vanasek

A quorum was present.

Carruthers and Forsythe were excused.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 68 and S. F. No. 25 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

McEachern from the Committee on Education to which was referred:

H. F. No. 141, A bill for an act relating to education; correcting, clarifying, repealing, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 121.88, subdivision 10; 121.904, subdivision 4a; 121.912, subdivision 1; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, and 9; repealing Minnesota Statutes 1988, sections 120.02, subdivisions 2, 3, 4, 5, 6, 8, 9, 12, and 18; 120.05, subdivision 1; 120.075; 120.0751; 120.0752; 120.13; 120.14; 120.15; 120.16; 120.77; 121.09; 121.11, subdivision 13; 121.12; 121.151; 121.19; 121.28; 121.35; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 122.86; 122.87; 122.88; 123.35, subdivisions 8a, 8b, and 8c; 123.3511; 123.3512; 123.39, subdivision 5; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.61; 123.68; 123.701; 123.744; 124.12, subdivision 1; 124.18, subdivisions 2 and 3; 124.2138, subdivisions 3 and 4; 124.225, subdivisions 8i and 8j; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.231, subdivision 3; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.268, subdivision 2; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 127.08; 129B.52, subdivision 3; and 275.128.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 120.062, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN DISTRICTS EXCLUDED.] For the 1989-1990 school year only, this section applies to a district that has more than 1,000 actual pupil units in kindergarten through grade 12 during the 1987-1988 school year.

Sec. 2. Minnesota Statutes 1988, section 120.062, subdivision 12, is amended to read:

Subd. 12. [GENERAL EDUCATION AID.] Adjustments to general education aid, capital expenditure facilities aid, and equipment aid for the resident and nonresident districts shall be made according to section sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively.

Sec. 3. Minnesota Statutes 1988, section 120.075, subdivision 5, is amended to read:

Subd. 5. General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 8l, respectively.

Sec. 4. Minnesota Statutes 1988, section 120.0751, subdivision 6, is amended to read:

Subd. 6. [AID.] General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 8l, respectively.

Sec. 5. Minnesota Statutes 1988, section 120.0752, subdivision 4, is amended to read:

Subd. 4. General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 8l, respectively.

Sec. 6. Minnesota Statutes 1988, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The state board of education shall develop standards for school age child care programs.

Sec. 7. Minnesota Statutes 1988, section 121.904, subdivision 4a, is amended to read:

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

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

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

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 27 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 27 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including

levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

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

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

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

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, amounts levied for education district bonds under section 122.96, subdivision 5, and amounts levied pursuant to section 275.125, subdivision 14a.

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

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

Sec. 8. Minnesota Statutes 1988, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 124.243, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds according to section 11 or if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund

reserved for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy sum of the levies authorized pursuant to sections 124.243 and, 124.244, and 124.83, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the undesignated fund balance account in its transportation fund to the other operating fund or to the reserved fund balance account for bus purchases in its transportation fund.

Sec. 9. Minnesota Statutes 1988, section 123.3515, subdivision 9, is amended to read:

Subd. 9. [AID.] General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 8l, respectively.

Sec. 10. Minnesota Statutes 1988, section 123.36, subdivision 13, is amended to read:

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

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

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

(a) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;

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

(c) for capital expenditures for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings, other than as provided in clause (a); or

(d) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a) and (b) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, subdivision 11e 124.83, subdivision 4, in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

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

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

(5) Notwithstanding clauses (2) and (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time the commissioner prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 11. Minnesota Statutes 1988, section 123.705, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNTS.] The state shall pay each school district for the cost of screening services provided according to sections 123.701 to 123.705 an amount equal to \$8.15 per child screened. If this amount of aid is not sufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient.

Sec. 12. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in

subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.243, 124.244, and 124.245 124.83;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter; and
- (m) transition aid and disparity reduction aid authorized in section 273.1398;
- (n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 13. Minnesota Statutes 1988, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS:] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the gross tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the tax capacity rate as determined by the county auditor based upon the original gross tax capacity is applied upon the changed gross tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:
 - (a) the sum of the amounts of the district's certified levy in the preceding October according to the following:
 - (i) section 124A.23 if the district receives general education aid according to that section;
 - (ii) section 275.125, subdivisions 5 and 5c, if the district receives transportation aid according to section 124.225;
 - (iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;
 - (iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;
 - (v) ~~(iv)~~ section 275.125, subdivision 11e 124.83, if the district receives hazardous substance health and safety aid according to that section 124.245;
 - (vi) ~~(v)~~ section 275.125, subdivision 8, clauses (a) and (b); if the district receives community education aid according to section 124.271;
 - (vii) ~~(vi)~~ section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; and
 - (viii) ~~(vii)~~ section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 14. Minnesota Statutes 1988, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) section 124A.23 if the district receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the school district receives transportation aid according to section 124.225;

(iii) section ~~124.244~~ 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section ~~275.125~~, ~~subdivision 11e~~ 124.83, if the district receives ~~hazardous substance~~ health and safety aid according to that section 124.245;

(~~v~~) (vi) section 275.125, subdivision 8, clauses (a) and (b), if the district receives community education aid according to section 124.271;

(~~vi~~) (vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; and

(vii) (viii) section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;

(B) to the total amount of the school district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 15. Minnesota Statutes 1988, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

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

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

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12½ percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33⅓ percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15,

which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

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

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

(e) "Transportation category" means a category of transportation service provided to pupils.

(1) ~~For the purposes of this section, transportation categories for the 1986-1987 and 1987-1988 school years are as follows:~~

(i) ~~regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1); and~~

(ii) ~~nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).~~

(2) ~~For purposes of this section, for the 1988-1989 school year and after:~~

(i) (1) ~~regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and~~

(ii) (2) ~~nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10); and~~

(3) excess transportation is transportation to and from school for

secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic hazards.

(f) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

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

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

(i) "Base cost" for the 1984-1985 and 1985-1986 base years means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation. Base cost for the 1986-1987 base year and after means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for excess transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the actual cost in the base year for transportation costs which are necessary because of extraordinary traffic hazards as defined in paragraph (e), clause (3),

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary FTE pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of FTE pupils residing less than one mile from

school who were transported to and from school in the base year because of extraordinary traffic hazards in the excess category.

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

Sec. 16. Minnesota Statutes 1988, section 124.225, subdivision 4b, is amended to read:

Subd. 4b. [FORMULA TERMS.] (a) To predict the logarithm of the base cost for each district pursuant to subdivision 3 for the 1985-1986 base year, the multiple regression formula shall use the following terms for each district:

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

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

(b) To predict the logarithm of the base cost for each district according to subdivision 3 for the 1986-1987 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of:

(A) 200; or

(B) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary FTE pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of FTE pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards in the excess category,

(C) by the area of the district in square miles;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Sec. 17. Minnesota Statutes 1988, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] Each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this ~~clause~~ subdivision to determine the district's adjusted authorized predicted cost per FTE for that year.

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

(b) If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.

(c) If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

Sec. 18. Minnesota Statutes 1988, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 6.0 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year, by 4.9 percent to determine the district's aid entitlement per FTE for the 1987-1988 school year, and by 4.1 percent to determine the district's aid entitlement per FTE regular transportation allowance for the 1988-1989 school year.

Sec. 19. Minnesota Statutes 1988, section 124.225, is amended by adding a subdivision to read:

Subd. 7c. [TRANSPORTATION REVENUE.] A district's transportation revenue for each school year equals the sum of its regular transportation revenue under subdivision 8b and its actual cost in the current year for nonregular transportation as defined in subdivision 1, paragraph (e), clause (2).

Sec. 20. Minnesota Statutes 1988, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [TRANSPORTATION AID.] (a) For the 1988-1989 and 1989-1990 school year and thereafter years, a district's transportation aid is equal to the sum of its basic regular transportation aid revenue under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k and minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(b) For the 1990-1991 school year and after, a district's transportation aid equals the product of:

(1) the difference between the transportation revenue and the sum of:

(i) the basic transportation levy for that school year under section 275.125, subdivision 5, plus

(ii) the nonregular transportation levy for that school year under section 275.125, subdivision 5c, plus

(iii) the contracted services aid reduction under subdivision 8k, times

(2) the ratio of the sum of the actual amounts levied under section 275.125, subdivisions 5 and 5c, to the sum of the permitted levies under those subdivisions.

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

Sec. 21. Minnesota Statutes 1988, section 124.225, subdivision 8b, is amended to read:

Subd. 8b. [BASIC AID COMPUTATION REGULAR TRANS-

PORTATION REVENUE.] A district's basic transportation aid regular transportation revenue pursuant to this section for each school year shall equal the district's aid entitlement per FTE regular transportation allowance determined according to subdivision 7b, times the total number of authorized FTE's transported in the regular category in the district in the current school year.

Sec. 22. Minnesota Statutes 1988, section 124.225, subdivision 8i, is amended to read:

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] (a) A district's nonregular transportation aid shall be determined according to this subdivision:

(b) For the 1986-1987 and 1987-1988 school years, nonregular transportation aid shall equal (1) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (2) the number of total pupil units in the district in the current year.

(c) For the 1988-1989 school year and thereafter, nonregular transportation aid equals (1) 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$30, times (2) the number of total pupil units in the district in the current year.

Sec. 23. Minnesota Statutes 1988, section 124.225, subdivision 8j, is amended to read:

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

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

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

(c) Nonregular transportation levy equalization aid for a district shall equal the product of (1) its unreimbursed nonregular transportation revenue, minus the nonregular transportation levy limitation

for that year, times (2) the ratio of the district's actual nonregular transportation levy to its nonregular transportation levy limitation.

Sec. 24. Minnesota Statutes 1988, section 124.225, subdivision 8k, is amended to read:

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

Sec. 25. Minnesota Statutes 1988, section 124.225, subdivision 8l, is amended to read:

Subd. 8l. [ALTERNATIVE ATTENDANCE PROGRAMS.] A district that serves enrolls nonresident pupils in programs under sections 120.062, 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55 shall provide authorized transportation to the pupil within the attendance area for the school that the pupil attends. The state shall pay transportation aid attributable to the pupil to the serving nonresident district according to this section. The resident district of the pupil's residence need not provide or pay for transportation between the pupil's residence and the district's border.

Sec. 26. Minnesota Statutes 1988, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district which that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 12½ percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, ~~clause paragraph~~ (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33⅓ percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the

appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

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

(2) the district's basic transportation levy limitation under section 275.125, subdivision 5, plus

(3) the district's contract services aid reduction under subdivision 8k, plus

(4) the district's nonregular transportation levy limitation under section 275.125, subdivision 5e district's transportation revenue under subdivision 7c.

Sec. 27. Minnesota Statutes 1988, section 124.2445, is amended to read:

124.2445 [PURCHASE OF CERTAIN EQUIPMENT.]

The board of a school district may issue certificates of indebtedness or capital notes subject to the school district debt limits to purchase vehicles other than school buses, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes. The certificates or notes must be payable in not more than five years and must be issued on the terms and in the manner determined by the board. The certificates may be issued by resolution and without the requirement for an election. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. That tax levy for each year must not exceed the amount of the district's capital expenditure equipment levy under section 124.244 for the year the initial debt service levies are certified. The district's capital expenditure levy under section 124.244 for each year must be reduced by the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes as required by section 475.61.

Sec. 28. Minnesota Statutes 1988, section 124.245, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE ATTENDANCE PROGRAMS.] The capital expenditure facilities aid under section 124.243 and the capital expenditure equipment aid under section 124.244 for districts must be adjusted for each pupil, excluding a handicapped pupil as defined

in section 120.03, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55. The adjustments must be made according to this subdivision.

(a) ~~capital expenditure~~ Aid paid to a district of the pupil's residence must be reduced by an amount equal to the revenue amount per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in nonresident districts.

(b) ~~capital expenditure~~ Aid paid to a district serving nonresidents in programs listed in subdivision 1 must be increased by an amount equal to the revenue amount per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in the district.

(c) If the amount of the reduction to be made from the ~~capital expenditure~~ aid of a district is greater than the amount of ~~capital expenditure~~ aid otherwise due the district, the excess reduction must be made from other state aids due the district.

Sec. 29. Minnesota Statutes 1988, section 124.575, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A secondary vocational cooperative established under section 123.351 is eligible for secondary vocational cooperative revenue if it meets the size requirements specified in section ~~122.96~~ 122.91, subdivision 3, and the cooperative offers programs authorized under section 123.351, subdivision 4, paragraph (b), clause (1), and clause (2) or (3). The pupil units of a district that is a member of intermediate school district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a district may not be used to obtain revenue under this section and section 124.2721.

Sec. 30. Minnesota Statutes 1988, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in sections ~~273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8~~ chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax capacity rate, according to section 124A.23, times the district's adjusted gross tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding supplemental revenue, for the same school year, according to section 124A.22.

However, for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-third of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

Sec. 31, Minnesota Statutes 1988, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been absent from attendance at school without lawful excuse for more than 15 consecutive school days in the preceding or current school year;

(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the

same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or has been assessed as chemically dependent; or

(d) any person who is at least 21 years of age and who:

(1) has received less than 14 years of public or nonpublic education, beginning at age 5;

(2) has already completed the studies ordinarily required in the 10th grade but has not completed the requirements for a high school diploma or the equivalent; and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.

Notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to ~~pupils~~ a pupil under age 17 and older 21 who participate ~~participates~~ in the high school graduation incentives program.

Sec. 32. Minnesota Statutes 1988, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), or (d) may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, including area learning centers under sections 129B.52 to 129B.55, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in ~~secondary school courses upon a resolution passed by a school board approving enrollment, or may enroll in~~ post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), or (d), may enroll in any public secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

An eligible institution providing eligible programs as defined in this subdivision may contract with an entity providing adult basic

education programs under the community education program contained in section 121.88 for actual program costs.

Sec. 33. Minnesota Statutes 1988, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] In any fiscal year, if the basic transportation levy under subdivision 5 in a district attributable to a particular that fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k the difference between (1) the district's transportation revenue under section 124.225, subdivision 7c, and (2) the sum of the district's permitted nonregular levy under subdivision 5c, the contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a transportation levy in the next fiscal year shall be reduced by the amount of this excess.

Sec. 34. Minnesota Statutes 1988, section 275.125, subdivision 5c, is amended to read:

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

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

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted gross tax capacity for the preceding year per total pupil unit in the school year to which the levy is attributable, to \$63,800.

(a) Multiply the number of total pupil units in the district in the

current year by 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$30.

(b) Subtract the result in paragraph (a) from the district's total actual cost in the current year for nonregular transportation services.

(c) Multiply the result in paragraph (b) by the lesser of one or the ratio of (1) the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the total pupil units in the district for the school year to which the levy is attributable, to (2) \$10,261.

Sec. 35. Minnesota Statutes 1988, section 275.125, subdivision 5e, is amended to read:

Subd. 5e. [EXCESS TRANSPORTATION LEVY.] A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the base cost computed using data for the current school year according to section 124.225, subdivision 1, paragraph (i), by the sum of the number of secondary FTE pupils transported to and from school in the current year who live more than one mile but less than two miles from the public school which they could attend or the nonpublic school actually attended, plus the number of FTE pupils residing less than one mile from school who were transported to and from school in the current year due to extraordinary traffic hazards number of FTE pupils transported in the excess category in the district in the current school year.

(b) Add to the result in paragraph (a) the actual cost in the current year of other related services that are necessary because of extraordinary traffic hazards.

Sec. 36. Minnesota Statutes 1988, section 275.125, subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to subdivision 10, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 298.018; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; shall not include a

portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section and chapters 124 and 124A by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under Minnesota Statutes 1986, sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and Minnesota Statutes 1986, sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, for levies certified in 1986.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.23, to an amount less than the amount raised by a levy of 12.5 mills times the adjusted gross tax capacity of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure facilities levy authorized by section ~~124.244~~, subdivision 2, and subdivisions ~~11c, 12, and 12a~~ 124.243, the capital expenditure equipment levy authorized by section ~~124.244~~, the health and safety levy authorized by section ~~124.83~~, and subdivision ~~12a~~, and the community education levy authorized by subdivisions 8 and 8b, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to section ~~124.244~~, subdivision 2, and subdivisions ~~11c, 12, and 12a~~, and for community education pursuant to subdivisions 8 and 8b under each section or subdivision. The reduction of the ~~capital expenditure levy and the community education levy~~ shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted

from general education aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year, the amount required to be subtracted from the previous fiscal year's general education aid pursuant to section 124A.035, subdivision 5, which is in excess of the general education aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 37. Minnesota Statutes 1988, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease a building for a secondary vocational cooperative program and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building for approved purposes. The proceeds of this levy must not be used for leasing or renting a facility owned by a the district making the levy or for custodial or other maintenance services.

Sec. 38. Laws 1987, chapter 398, article 6, section 19, subdivision 9, is amended to read:

Subd. 9. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund there is appropriated:

\$1,615,200 1988,

\$2,025,100 1989.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the

fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Any unexpended balance in fiscal year 1988 does not cancel but is available for fiscal year 1989.

Sec. 39. [INSTRUCTION TO REVISOR.]

In subsequent editions of Minnesota Statutes, the revisor of statutes is requested to change the heading of section 124.245, from "HAZARDOUS SUBSTANCE REVENUE" to "ADJUSTMENTS TO CAPITAL EXPENDITURE AIDS."

Sec. 40. [EFFECTIVE DATE.]

Sections 1, 6, 7, 8, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 37, and 38 are effective the day following final enactment. Sections 2, 3, 4, 5, 9, 13, 14, 28, 36, and 39 are effective for the 1989-1990 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; correcting, clarifying, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 120.075, subdivision 5; 120.0751, subdivision 6; 120.0752, subdivision 4; 121.88, subdivision 10; 121.904, subdivision 4a; 121.912, subdivision 1; 123.3515, subdivision 9; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.2445; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, 9, and 11d; Laws 1987, chapter 398, article 6, section 19, subdivision 9."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 154, A bill for an act relating to crimes; removing the limitation period for charging sexual criminal conduct offenses if the victim is a child; amending Minnesota Statutes 1988, section 628.26.

Reported the same back with the following amendments:

Page 1, line 19, reinstate the stricken language and delete the new language

Page 1, line 20, strike "commission of the offense" and insert "victim attains 18 years of age or the victim reports the offense to law enforcement authorities, whichever occurs first"

Page 2, after line 16, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1989, and applies to crimes committed on or after that date, and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 1989.

Amend the title as follows:

Page 1, line 2, delete "removing" and insert "extending"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 247, A bill for an act relating to education; clarifying the referendum levy language; creating a conversion method; amending Minnesota Statutes 1988, section 124A.03.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1988, section 124.82, subdivision 3, is amended to read:

Subd. 3. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.] A district may levy the tax capacity rate approved by a majority of the electors voting on the question to provide funds for a down payment for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date set by the school board. A referendum for a project not receiving a positive review and comment by the commissioner under section 121.15 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the down payment levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner of education, state the maximum amount of the down payment levy in mills as a percentage of net tax capacity, state the amount that will be raised by that tax capacity rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

“Shall the down payment levy proposed by the board of School District No. be approved?”

If approved, the amount provided by the approved tax capacity rate applied to each year's gross the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the down payment levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question. Levy amounts approved prior to the date of this act are validated.

The district must notify the commissioner of education of the results of the referendum.”

Page 3, line 19, delete “1 and 2” and insert “2 and 3”

Page 3, line 23, delete “3” and insert “4”

Renumber the sections in sequence

Correct internal cross-references

Amend the title as follows:

Page 1, line 4, delete “section” and insert “sections 124.82, subdivision 3; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 363, A resolution memorializing the President and Congress of the United States to prevent the imposition of any additional federal excise tax on motor fuel in order to reduce the federal deficit.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 141, 154, 247 and 363 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Quinn introduced:

H. F. No. 465, A bill for an act relating to health; prohibiting glue

sniffing by all persons; amending Minnesota Statutes 1988, section 145.39.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Vellenga, Nelson, K.; Wynia; Otis and Jaroš introduced:

H. F. No. 466, A bill for an act relating to education; providing competitive project grants to school districts located in cities of the first class; appropriating money.

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

Kelso introduced:

H. F. No. 467, A bill for an act relating to occupations and professions; providing an exemption from the continuing education requirement for real estate brokers and salespersons; amending Minnesota Statutes 1988, section 82.22, subdivision 13.

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

Gutknecht and Bishop introduced:

H. F. No. 468, A bill for an act relating to education; authorizing school transportation to and from an additional kind of day care provider; amending Minnesota Statutes 1988, section 124.223.

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

Clark, Pappas, Ogren and Greenfield introduced:

H. F. No. 469, A bill for an act relating to human services; creating a subsidy program for community clinics; providing planning grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clark, Greenfield, Dawkins and Pappas introduced:

H. F. No. 470, A bill for an act relating to human services; setting a minimum level for the amount of assistance under the aid to families with dependent children program; amending Minnesota Statutes 1988, section 256.74, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sviggum, Frederick and Waltman introduced:

H. F. No. 471, A bill for an act relating to ethics in government; prohibiting transfers between principal campaign committees; limiting the conduct of certain fundraising events; limiting candidates to only one campaign committee; amending Minnesota Statutes 1988, sections 10A.11, by adding a subdivision; and 10A.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kalis, Kelso, Dauner, Dempsey and Schreiber introduced:

H. F. No. 472, A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; amending Minnesota Statutes 1988, section 169.81, subdivision 2.

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

Johnson, A.; Jacobs; Weaver; Rest and McEachern introduced:

H. F. No. 473, A bill for an act relating to education; providing local school districts, education districts, and educational cooperative service units with competitive grants to modify curriculum-based services for gifted and talented students; appropriating money.

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

Clark; Nelson, K.; Simoneau; Otis and Vellenga introduced:

H. F. No. 474, A bill for an act relating to education; creating a

child care early education grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

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

Schafer introduced:

H. F. No. 475, A bill for an act relating to taxation; requiring schools to impose an income tax in lieu of a property tax levy for certain purposes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Schafer introduced:

H. F. No. 476, A bill for an act relating to education; delaying the start of the pilot interdisciplinary academic and arts program at the school and resource center for the arts; amending Minnesota Statutes 1988, section 129C.10, subdivision 3.

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

Lieder, Tunheim, Hasskamp, Ostrom and Schafer introduced:

H. F. No. 477, A bill for an act relating to education; authorizing certain cooperating districts to qualify for sparsity aid; amending Minnesota Statutes 1988, section 124A.22, subdivision 5.

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

Olson, K.; Schafer; Hasskamp; Ostrom and Hugoson introduced:

H. F. No. 478, A bill for an act relating to education; establishing requirements for membership on an education district board; amending Minnesota Statutes 1988, section 122.92.

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

Munger; Johnson, V.; Redalen; Anderson, G., and McGuire introduced:

H. F. No. 479, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 14; dedicating certain lottery revenue to the environment and natural resources trust fund; repealing Minnesota Statutes 1988, section 116P.04, subdivisions 2 and 3.

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

Dempsey and Vellenga introduced:

H. F. No. 480, A bill for an act relating to real property; abolishing certain residual marital interests in real property; providing for 40-year limitation on action based on an option to repurchase or other restrictions on a surface estate; providing for certain certifications; amending Minnesota Statutes 1988, sections 541.023, subdivision 6; and 548.181; proposing coding for new law in Minnesota Statutes, chapter 519.

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

Peterson, Hasskamp, Lasley and Carlson, D., introduced:

H. F. No. 481, A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Wagenius, Otis, Vellenga, Carruthers and Dempsey introduced:

H. F. No. 482, A bill for an act relating to crimes; trespass; recodifying the law on dangerous trespasses and misdemeanor trespasses; prescribing penalties; amending Minnesota Statutes 1988, sections 609.50; 609.55, subdivision 2, and by adding subdivisions; 609.576; 609.605; 609.85; 609.855, subdivisions 1 and 3; and 624.731, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 609.60.

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

Wagenius, Carruthers, Kelly, Greenfield and Dempsey introduced:

H. F. No. 483, A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 4.

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

Johnson, A.; Simoneau; Weaver; Nelson, K., and Janezich introduced:

H. F. No. 484, A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

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

Murphy, Otis, Himle, Vanasek and Munger introduced:

H. F. No. 485, A bill for an act relating to resource development; establishing a legislative commission on minerals; appropriating money.

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

Cooper; Nelson, C.; Dille; Wenzel and Brown introduced:

H. F. No. 486, A bill for an act relating to agriculture; extending the farmer-lender mediation act and related provisions; amending Minnesota Statutes 1988, sections 47.20, subdivision 15; and 580.031; Laws 1983, chapter 215, section 16, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

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

Uphus introduced:

H. F. No. 487, A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Tjornhom, Stanius and Macklin introduced:

H. F. No. 488, A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid, disparity aid, and other aids and credits; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F.02, subdivision 23; 473F.05; 473F.06; 473F.07, subdivisions 1, 4, and 5; 473F.08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F.10; 477A.011, subdivisions 15, 20, and 21; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

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

Dawkins and Simoneau introduced:

H. F. No. 489, A bill for an act relating to public employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179A.03, subdivision 7; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, and 3; 179A.20, subdivision 4; repealing Laws 1984, chapter 654, article 2, section 116.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Uphus, Girard, Hugoson, McPherson and Dille introduced:

H. F. No. 490, A bill for an act relating to well abandonment; authorizing demonstration projects for cost-sharing funds and technical assistance; determining susceptible groundwater recharge areas; appropriating money; amending Minnesota Statutes 1988, section 40.036, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

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

Solberg; Kinkel; Nelson, C.; Johnson, R., and Bennett introduced:

H. F. No. 491, A bill for an act relating to tourism; creating a department of tourism; transferring duties and powers from the department of trade and economic development to the department of tourism; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, subdivision 1; 116J.01, subdivision 3; 116J.60; 301A.01, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 116Q; and repealing Minnesota Statutes 1988, section 116J.615.

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

Wenzel, Steensma, Begich, McEachern and Carlson, D., introduced:

H. F. No. 492, A bill for an act relating to traffic regulations; abolishing fee for renewal or duplicate license plates for handicapped persons; amending Minnesota Statutes 1988, section 169.345, subdivision 3.

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

McEachern, Kelso, Ozment, Bauerly and Beard introduced:

H. F. No. 493, A bill for an act relating to education; requiring a pupil to stay in a school for one year under open enrollment; amending Minnesota Statutes 1988, section 123.3515.

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

Janezich, Begich, Battaglia, Solberg and Rukavina introduced:

H. F. No. 494, A bill for an act relating to taxation; income; repealing the subtraction for elderly and disabled and reinstating the pension exclusion; removing age limitations; amending Minnesota Statutes 1988, sections 290.01, subdivision 19b, and by adding a subdivision; and 290.032, subdivision 2; repealing Minnesota Statutes 1988, sections 290.0802 and 424A.10.

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

Reding, Kalis, Welle, Sparby and Johnson, V., introduced:

H. F. No. 495, A bill for an act relating to taxation; property; eliminating senior accreditation requirements for assessors; amending Minnesota Statutes 1988, sections 270.485; and 273.061, subdivisions 1 and 2; repealing Laws 1988, chapter 719, article 7, section 9.

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

Reding and Redalen introduced:

H. F. No. 496, A bill for an act relating to advertising devices; allowing signs to be erected directing travelers to Lake Louise State Park.

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

Sarna introduced:

H. F. No. 497, A bill for an act relating to commerce; securities; authorizing the issuance of stop orders on certain registration statements; amending Minnesota Statutes 1988, section 80A.13, subdivision 1.

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

McEachern; Olsen, S.; Kelso; Scheid and Battaglia introduced:

H. F. No. 498, A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

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

McEachern, Lieder, Battaglia, Dille and Dempsey introduced:

H. F. No. 499, A bill for an act relating to local government; granting certain water and sewer powers to towns; amending Minnesota Statutes 1988, sections 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; and 444.20.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Krueger; Cooper; Sparby; Johnson, V., and Murphy introduced:

H. F. No. 500, A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988, sections 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 5, 6, 7, and by adding subdivisions; 462.385; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; and 462.398; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 462.384, subdivisions 3 and 4; 462.391; and 462.392.

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

Welle and Cooper introduced:

H. F. No. 501, A bill for an act relating to education; vocational technical; allowing purchase of real property by independent school district No. 347.

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

Swenson introduced:

H. F. No. 502, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

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

Swenson introduced:

H. F. No. 503, A bill for an act relating to retirement; excluding members of the Forest Lake volunteer fire department from membership in the public employees retirement association.

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

Welle introduced:

H. F. No. 504, A bill for an act relating to veterans; requiring the housing and care of veterans in the Willmar residential treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Brown; Bertram; Cooper; Carlson, D., and Wenzel introduced:

H. F. No. 505, A bill for an act relating to veterans; removing a limitation on veterans in the category of protected groups for the purpose of state employment; amending Minnesota Statutes 1988, section 43A.02, subdivision 33.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

McLaughlin, Otis, Vellenga, Kalis and Battaglia introduced:

H. F. No. 506, A bill for an act relating to employment; requiring the regional transit board to establish a transit demonstration program for certain workers; amending Minnesota Statutes 1988, section 473.387, by adding a subdivision.

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

Marsh, Gruenes, Bauerly and Bertram introduced:

H. F. No. 507, A bill for an act relating to education; appropriating money to allow St. Cloud State University to provide additional police services for the campus and the southside area around the campus.

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

Morrison, Pauly, Battaglia, Valento and Lieder introduced:

H. F. No. 508, A bill for an act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision; 412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Ostrom, Otis, Battaglia and Ogren introduced:

H. F. No. 509, A bill for an act relating to the city of St. Peter; providing for a seven-member municipal hospital board and a nine-member economic development authority.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

O'Connor, Brown, Sarna and McEachern introduced:

H. F. No. 510, A bill for an act relating to commerce; modifying the maximum finance charge on certain open end credit sales; regulating additional charges; amending Minnesota Statutes 1988, section 334.16, subdivision 1, and by adding a subdivision.

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

O'Connor, Milbert, Sarna, McEachern and Bennett introduced:

H. F. No. 511, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Bauerly, Lieder, Dorn, Haukoos and Dempsey introduced:

H. F. No. 512, A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, subdivision 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Hugoson, Kalis, Henry and Macklin introduced:

H. F. No. 513, A bill for an act relating to the office of the secretary of state; establishing a procedure for contesting the registration of a corporation, limited partnership, or assumed name, or a trade or service mark with the secretary of state; providing that the office of the secretary of state is not liable for registrations; proposing coding for new law in Minnesota Statutes, chapter 5.

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

Kalis and Hugoson introduced:

H. F. No. 514, A bill for an act relating to veterans affairs; increasing the amount of educational assistance for war orphans and veterans; increasing educational assistance for POW/MIA dependents; providing for cost-of-living increases; amending Minnesota Statutes 1988, sections 197.75, subdivision 1; and 197.752.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Bishop, Rest, Kelly, Long and Dempsey introduced:

H. F. No. 515, A bill for an act relating to judicial procedure; clarifying and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.061; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.05, subdivision 4; and 278.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 271.01, subdivision 6; 271.21, subdivision 4; and 271.22.

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

Solberg and Kinkel introduced:

H. F. No. 516, A bill for an act relating to metropolitan government; requiring the metropolitan council to prepare water use and supply plans; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Battaglia, Reding, Trimble, Sarna and Carlson, D., introduced:

H. F. No. 517, A bill for an act relating to natural resources; authorizing fees for special hunts; amending Minnesota Statutes 1988, section 97A.401, subdivision 4.

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

Welle, Dille, Brown, Dauner and Redalen introduced:

H. F. No. 518; A bill for an act relating to taxation; income; providing for allocation and apportionment of income derived by certain corporations from material value added to agricultural products by processing, packaging, or other high technology procedures; amending Minnesota Statutes 1988, section 290.17, by adding a subdivision.

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

Omann introduced:

H. F. No. 519, A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4;

256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1398, subdivisions 1, 3, and 6; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F.02, subdivision 23; 473F.05; 473F.06; 473F.07, subdivisions 1, 4, and 5; 473F.08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F.10; 477A.011, subdivisions 15 and 20; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398, subdivisions 2 and 5; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

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

Simoneau and Begich introduced:

H. F. No. 520, A bill for an act relating to state government; restricting additional types of payroll deductions for state employees; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Nelson, C.; Cooper and Brown introduced:

H. F. No. 521, A bill for an act relating to agriculture; authorizing a grasshopper control program; providing inspection and control of plant pests in the same manner as noxious weeds; providing for inspection, control, and enforcement of noxious weeds and plant pests; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18.022, subdivision 2; 84.0895, subdivision 2; and 160.02, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1988, sections 18.171 to 18.315; Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390.

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

Valento, Pellow, Limmer, Henry and Lynch introduced:

H. F. No. 522, A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid, disparity aid, and other aids and credits; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 1 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F.02, subdivision 23; 473F.05; 473F.06; 473F.07, subdivisions 1, 4, and 5; 473F.08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F.10; 477A.011, subdivisions 15, 20, and 21; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

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

Simoneau, Battaglia, Ogren, Schreiber and Morrison introduced:

H. F. No. 523, A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1988, section 3.981, subdivision 2, 8, and by adding subdivisions; 3.982; 3.983, subdivision 3; 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1988, section 3.981, subdivisions 4, 5, and 9.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Dauner, Ogren, Boo and Gruenes introduced:

H. F. No. 524, A bill for an act relating to health; including the use of nitrous oxide as an analgesic in the practice of podiatric medicine; amending Minnesota Statutes 1988, section 153.01, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Scheid introduced:

H. F. No. 525, A bill for an act relating to taxation; sales; exempting the bargain aspect of employer provided meals from taxation; amending Minnesota Statutes 1988, section 297A.01, subdivision 3.

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

Simoneau; Reding; Johnson, R., and Knickerbocker introduced:

H. F. No. 526, A bill for an act relating to retirement; changing benefit provisions in the public employees retirement association police and fire plan; amending Minnesota Statutes 1988, sections 353.30, by adding a subdivision; 353.651, subdivision 3, and by adding a subdivision; 353.656, subdivisions 1 and 3; and 353.657, subdivisions 2 and 3.

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

Skoglund, Munger, Winter, Pugh and Carlson, D., introduced:

H. F. No. 527, A bill for an act relating to state parks; requiring collection facilities for recycling containers at state park entrances; proposing coding for new law in Minnesota Statutes, chapter 85.

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

Jacobs, O'Connor, Dawkins, Solberg and Stanius introduced:

H. F. No. 528, A bill for an act relating to liquor; license eligibility; places and times of sale; sampling; amending Minnesota Statutes 1988, sections 340A.402; 340A.405, subdivision 1; 340A.504, subdivisions 2 and 4; and 340A.510.

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

Battaglia, Ogren, Tunheim, Winter and Anderson, R., introduced:

H. F. No. 529, A bill for an act relating to local government; permitting cities and towns to contribute to certain hospitals; proposing coding for new law in Minnesota Statutes, chapter 465.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Pappas, Wynia, Williams, Blatz and Steensma introduced:

H. F. No. 530, A bill for an act relating to health; establishing an insurance information program for seniors to be financed by a surcharge on license fees for insurance agents; appropriating money; amending Minnesota Statutes 1988, section 60A.14, subdivision 1, and by adding a subdivision; and 256.9742, by adding a subdivision.

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

Pugh; Carruthers; Conway; Johnson, V., and Macklin introduced:

H. F. No. 531, A bill for an act relating to traffic regulations; providing for suspension of driver's license of person failing to appear in court following verbal promise to appear; amending Minnesota Statutes, section 169.92.

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

Nelson, K.; Rest; Kinkel; Ozment and Otis introduced:

H. F. No. 532, A bill for an act relating to education; providing schools with competitive grants to reform the learning environment; appropriating money.

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

Milbert introduced:

H. F. No. 533, A bill for an act relating to local government;

allowing city appropriations for historical purposes; amending Minnesota Statutes 1988, section 471.93.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Munger, Kalis, Redalen, Price and Bishop introduced:

H. F. No. 534, A bill for an act relating to groundwater; establishing best management practices and water resources protection requirements; regulating pollution limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; establishing a safe drinking water account; imposing an annual fee; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; establishing a water information committee; providing for local water resources protection and management; establishing water appropriation priorities; establishing a legislative commission on water; appropriating money; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivision 1, and by adding a subdivision; 17.715, subdivisions 1, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1 and 2; 17.717; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.721, by adding a subdivision; 17.725, subdivision 2, and by adding subdivisions; 17.728, by adding subdivisions; 17.7285; 17.73, subdivision 3; 18B.01, subdivisions 12, 21, 23, 26, 31, and by adding subdivisions; 18B.04; 18B.07, subdivisions 4, 5, 6, and 7; 18B.08, subdivisions 1 and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.21; 18B.25, by adding a subdivision; 18B.26, subdivisions 1, 3, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36; 18B.37, subdivisions 1, 2, and 3; 105.41, subdivision 1a; 105.418; 116C.41, subdivision 1; 116E.03, subdivision 9; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; and 156A.08; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 115; 116C; 116E; 144; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 18B.16; 18B.19; 156A.02, subdivision 3; 156A.03, subdivision 1; 156A.04; 156A.07; 156A.10; and 156A.11.

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

O'Connor introduced:

H. F. No. 535, A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the adminis-

tration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing housing courts, rent escrow systems, and building repair fines as demonstration projects in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.05, subdivision 27, and by adding subdivisions; 462A.201, subdivision 5; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 462C; 471; 504; and 566.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Bauerly introduced:

H. F. No. 536, A bill for an act relating to motor vehicles; reducing passenger automobile registration taxes for senior citizens; amending Minnesota Statutes 1988, section 168.013, by adding a subdivision.

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

Orenstein and Wagenius introduced:

H. F. No. 537, A bill for an act relating to taxation; requiring assessors to consider environmental factors when valuing property; amending Minnesota Statutes 1988, section 273.11, subdivision 1.

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

Bauerly and Bertram introduced:

H. F. No. 538, A bill for an act relating to education; requiring CPR instruction in secondary schools; requiring a CPR trained person at school sponsored activities on school grounds; amending

Minnesota Statutes 1988, sections 123.38, by adding a subdivision; and 126.025, subdivision 1.

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

Bauerly; Johnson, R.; McEachern; Wenzel and Bertram introduced:

H. F. No. 539, A bill for an act relating to crimes; increasing incarcerative and monetary penalties imposed upon persons convicted of controlled substance offenses and operating disorderly houses; amending Minnesota Statutes 1988, sections 152.15, subdivisions 1, 2, and 2b; and 609.33, subdivision 3.

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

Clark, Pappas, Vellenga, Greenfield and Munger introduced:

H. F. No. 540, A bill for an act relating to community development; providing for a community resources program for cities of the first class; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 466A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

O'Connor, McLaughlin, Wynia, Jefferson and Boo introduced:

H. F. No. 541, A bill for an act relating to economic development; establishing a targeted neighborhood revitalization and financing program; appropriating money; amending Minnesota Statutes 1988, sections 282.01, subdivision 1; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Laws 1987, chapter 384, article 3, section 22; and chapter 386, article 6, sections 4 to 11.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Rest, Kelly, Clark, Marsh and Vellenga introduced:

H. F. No. 542, A bill for an act relating to children; controlled substances; requiring reporting of newborns with signs of controlled

substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; requiring an education program to prevent harm to unborn children from prenatal exposure to controlled substances and alcohol; amending Minnesota Statutes 1988, section 626.556, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121 and 626.

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

Scheid introduced:

H. F. No. 543, A bill for an act relating to animals; clarifying regulations pertaining to dangerous dogs; prohibiting local ordinances that define specific breeds of dogs as dangerous; amending Minnesota Statutes 1988, sections 347.50, subdivisions 4, 5, and by adding a subdivision; 347.51, subdivision 5, and by adding subdivisions; 347.53; 347.54; and 609.226, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

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. 28.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 28, A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

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

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek in the Chair for consideration of bills pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. No. 68 was recommended to pass.

On the motion of Wynia the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Kostohryz moved that the name of Quinn be shown as chief author and the name of Vanasek be shown as fourth author on H. F. No. 66. The motion prevailed.

Pelowski moved that the name of Bishop be added as an author on H. F. No. 165. The motion prevailed.

Clark moved that the name of Nelson, K., be added as an author on H. F. No. 259. The motion prevailed.

Poppenhagen moved that his name be stricken as an author on H. F. No. 283. The motion prevailed.

Simoneau moved that the name of Olsen, S., be added as an author on H. F. No. 334. The motion prevailed.

Simoneau moved that the name of Olsen, S., be added as an author on H. F. No. 335. The motion prevailed.

Simoneau moved that the name of Olsen, S., be added as an author on H. F. No. 336. The motion prevailed.

Kahn moved that the names of Segal, Scheid and Pappas be added as authors on H. F. No. 356. The motion prevailed.

Bertram moved that the name of Sparby be added as an author on H. F. No. 391. The motion prevailed.

Johnson, R., moved that the name of Solberg be stricken and the name of Nelson, C., be added as an author on H. F. No. 392. The motion prevailed.

Kalis moved that the name of Olsen, S., be added as an author on H. F. No. 419. The motion prevailed.

Vellenga moved that the name of Clark be added as an author on H. F. No. 423. The motion prevailed.

Uphus moved that the name of McPherson be added as an author on H. F. No. 453. The motion prevailed.

PROTEST AND DISSENT

The conduct of some majority party members regarding the amendment to the proposed permanent rules of the House of Representatives requires the registration of a strong protest and dissent under the Minnesota Constitution, article IV, section 11.

On February 2, 1989, as debate began on the proposed permanent rules of the House of Representatives, Representative K.J. McDonald and a bipartisan group of ten other representatives proposed an amendment to have the pledge of allegiance to the flag of the United States of America said on the first day of each week. The proposal was made in the widely-held spirit that the members of the House would want to support this regular display of patriotism.

Later, another representative from the majority party filed the identical amendment. The Speaker then called up that amendment first and it passed. The Speaker then suggested that Representative McDonald's amendment would be out of order as a duplicate of the one considered and passed. Those actions were carried out despite the fact that Representative McDonald's amendment was filed first. The effect of the procedure was to permit one legislator to preempt the idea of the group that originally filed the proposal.

The public who elect all the representatives expect each representative to be able to offer his or her ideas without prejudice to where he or she happens to live in the state or what political party he or she belongs to. The actions by the Speaker and the representative sponsoring the second amendment was a direct frustration of that will of the people.

This action was also particularly inappropriate since the debate included consideration of imposing ethical constraints on members of the legislature. The plagiarism of an amendment as well as the engineering of the consideration of the plagiarized amendment first is a flagrant abuse of power and of the common understanding of the ethical norms of the House.

The Speaker and the member who plagiarized the McDonald amendment should publicly apologize.

Signed:

Bill Schreiber
 Steve Sviggum
 Howard Miller
 Terry Dempsey
 Donald J. Valento
 Bernie Omann
 Sally Olsen
 Steve Dille
 Gary Schafer
 Harriet McPherson
 Connie Morrison
 Brad Stanius
 Kathleen Blatz
 Joyce Henry
 Dick Pellow
 Bill Macklin

Ron Abrams
 Jim Girard
 Warren E. Limmer
 Teresa Lynch
 John Himle
 John Burger
 Don Frerichs
 David B. Gruenes
 Gil Gutknecht
 Tony Onnen
 Marcel "Sal" Frederick
 Bob Haukoos
 Sylvester Uphus
 Ben Boo
 Jim Heap
 Dean Hartle

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following committee assignments:

Governmental Operations: Add the name of Runbeck.

Health and Human Services: Add the name of Runbeck.

Insurance: Add the name of Runbeck.

Local Government and Metropolitan Affairs: Add the name of Runbeck.

Regulated Industries: Add the name of Carlson, D.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, February 13, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, February 13, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

