

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FORTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 5, 1989

The House of Representatives convened at 11:00 a.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Prayer was offered by Dr. Joseph Everson, the Pastor of Hope Lutheran Church and teacher at the St. Paul Seminary, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Dawkins	Jennings	McGuire	Otis
Anderson, G.	Dempsey	Johnson, A.	McLaughlin	Ozment
Anderson, R.	Dille	Johnson, R.	McPherson	Pappas
Battaglia	Dorn	Johnson, V.	Milbert	Pauly
Bauerly	Forsythe	Kahn	Miller	Pellow
Beard	Frederick	Kalis	Morrison	Pelowski
Begich	Frerichs	Kelly	Munger	Peterson
Bennett	Girard	Kelso	Murphy	Poppenhagen
Bertram	Greenfield	Kinkel	Nelson, C.	Price
Bishop	Gruenes	Knickerbocker	Nelson, K.	Pugh
Blatz	Gutknecht	Kostohryz	Neuenschwander	Quinn
Boo	Hartle	Krueger	O'Connor	Redalen
Brown	Hasskamp	Lasley	Ogren	Reding
Burger	Haukoos	Lieder	Olsen, S.	Rest
Carlson, D.	Heap	Limmer	Olsen, E.	Rice
Carlson, L.	Himle	Long	Olson, K.	Richter
Carruthers	Hugoson	Lynch	Omarn	Rodosovich
Clark	Jacobs	Macklin	Onnen	Rukavina
Conway	Janezich	Marsh	Orenstein	Runbeck
Cooper	Jaros	McDonald	Osthoff	Sarna
Dauner	Jefferson	McEachern	Ostrom	Schafer

Scheid
Schreiber
Seaberg
Segal
Simoneau
Skoglund

Solberg
Sparby
Stanius
Steensma
Sviggum
Swenson

Tjornhom
Tompkins
Trimble
Tunheim
Valento
Vellenga

Wagenius
Waltman
Weaver
Welle
Wenzel
Williams

Winter
Wynia
Spk. Vanasek

A quorum was present.

Uphus was excused.

Henry was excused until 4:35 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Frerichs 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 S. F. Nos. 698, 468, 933, 929, 997, 1074, 1332, 253, 339, 956, 1174, 1020, 1417, 1418, 661, 808, 1271 and 1618 have been placed in the members' files.

S. F. No. 339 and H. F. No. 337, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Limmer moved that the rules be so far suspended that S. F. No. 339 be substituted for H. F. No. 337 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 661 and H. F. No. 843, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carlson, D., moved that S. F. No. 661 be substituted for H. F. No. 843 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1074 and H. F. No. 1147, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical.

McEachern moved that S. F. No. 1074 be substituted for H. F. No. 1147 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1417 and H. F. No. 1668, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 1417 be substituted for H. F. No. 1668 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 339, 661, 1074 and 1417 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 827, A bill for an act relating to game and fish; authorizing the taking of certain muskrats that are causing damage; providing that license applications need not be notarized; regulating the purchase of raw furs; amending Minnesota Statutes 1988, sections 97A.481; 97B.655, subdivision 1; and 97B.905, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Stanis moved that the House refuse to concur in the Senate amendments to H. F. No. 827, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests

that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1107, A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jefferson moved that the House refuse to concur in the Senate amendments to H. F. No. 1107, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 943, A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, section 123.70, subdivisions 1, 2, 4, 8, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Orenstein moved that the House refuse to concur in the Senate amendments to H. F. No. 943, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 371, A bill for an act relating to corrections; authorizing

the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Pappas moved that the House refuse to concur in the Senate amendments to H. F. No. 371, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 527, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 949, A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Frederick moved that the House refuse to concur in the Senate amendments to H. F. No. 949, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests

that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 300, A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark moved that the House refuse to concur in the Senate amendments to H. F. No. 300, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1618:

S. F. No. 1618, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Langseth, Purfeerst, Metzen, Mehrkens and Berg.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, G., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1618. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 489:

Dawkins, Begich and Redalen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1618:

Rice, Lieder, Kalis, Sarna and Johnson, V.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. Nos. 852 and 1625.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 852, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; and 168.013, subdivision 1a.

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

S. F. No. 1625, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical

foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1625 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the Rules of the House be so far suspended that S. F. No. 1625 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1625 was read for the second time.

Anderson, G., moved to amend S. F. No. 1625, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this act. The listing of an amount under the figure "1989," "1990," or "1991" in this act indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively. "The first year" is fiscal year 1990. "The second year" is fiscal year 1991. "The biennium" is fiscal years 1990 and 1991.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$945,960,000	\$1,011,550,000	\$1,957,510,000

SUMMARY BY AGENCY - ALL FUNDS

	1990	1991	TOTAL
Higher Education Coordinating Board	\$ 82,894,500	\$ 92,923,500	\$175,818,000
State Board of Vocational Technical Education	168,271,000	176,165,000	344,436,000
State Board for Community Colleges	89,426,000	98,634,000	188,060,000
State University Board	167,045,000	178,455,000	345,500,000
Board of Regents of the University of Minnesota	437,294,000	464,295,000	901,589,000
Mayo Medical Foundation	1,029,000	1,077,000	2,106,000

APPROPRIATIONS
Available for the Year
Ending June 30

1990. 1991

Sec. 2. HIGHER EDUCATION
COORDINATING BOARD

Subdivision 1. Total Appropriation \$82,894,500 \$92,923,500

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

	1988	1989
	\$	\$

As part of its next budget request, the board shall report on its method of implementing the base adjustments required in this section.

Subd. 2. Agency Administration

\$3,081,500	\$3,021,500
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\$95,000 in 1990 is for the optometry and osteopathy contract program to continue seats for students who were in the program in the 1986-1987 academic year. No new students may be admitted to the program and the program must be discontinued on June 30, 1990.

The HECB shall examine its policies and procedures relating to the SELF program. It shall consider whether the program creates too great a financial burden for students, and ways to alleviate any burden. It shall consider the short- and long-term effects of subsidization and ways to control subsidy costs. It shall evaluate the relative costs and benefits of subsidization and related cost-control mechanisms compared to leaving the current program intact.

Notwithstanding Laws 1987, chapter 401, section 33, the task force on post-secondary quality assessment may continue for the 1989-1991 biennium. The task force membership may be expanded to include public members appointed by the higher education advisory council from nominees submitted by the HECB.

Subd. 3. State Scholarships and Grants

\$68,584,000	\$79,084,000
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During the biennium, the higher education coordinating board may ask the commissioner of finance to loan gen-

1988

1989

\$

\$

eral fund money to the scholarship and grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state scholarship and grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$3,148 for the first year and \$3,309 for the second year.

Of this appropriation, \$2,040,000 in each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency and the campuses.

The HECB shall report to the education divisions of the house appropriations and senate finance committees on the academic progress and persistence of state grant recipients by February 1, 1990.

The HECB shall study the fiscal and policy effects of mechanisms to encourage students to carry full course credit loads, to enroll in summer sessions, or to otherwise complete their coursework in a timely manner. The board shall include an examination of: the effects of changing the credit load in the state grant program to define a full-time student as one averaging 15 credits per term each year, and prorating awards on that credit basis; the availability of summer financial aid; and other incen-

	1988	1989
\$		\$

tives that it identifies. The board shall report its findings by March 1, 1990 to the education divisions of the house appropriations and senate finance committees.

The HECB shall examine the need for and supply of nurses as well as the adequacy of student access to nursing programs. It shall determine the need for and costs of a targeted financial aid program and report its recommendations to the education divisions of the house appropriations and senate finance committees by March 1, 1990.

The HECB shall examine and make recommendations on the use of post-secondary scholarships and other mechanisms to provide incentives to students to pursue International Baccalaureate degrees. In making its recommendations, the HECB shall include an analysis of the cost of a scholarship program and whether these scholarships would be an appropriate use of state funds.

Subd. 4. Statewide Study of Higher Education Needs

\$360,000

\$360,000 is to undertake the second phase of the study of post-secondary needs in the state, as provided in Laws 1988, chapter 703, article 1, section 2, subdivision 3. This phase must concentrate on those parts of the state outside the St. Cloud to Rochester population corridor. The HECB may contract for portions of the study, as necessary, but is not subject to Minnesota Statutes, chapter 16B. The study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing in-

	\$	1988	\$	1989
stitutions, state policies, quality of education, and system and institutional missions.				

The study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current program offerings, degrees, facilities, and support services available; needs of traditional, nontraditional, rural poor and minority students; the geographical accessibility, including commuting time, of services needed by different types of students; uses of alternative delivery systems, instructional technology, cooperative efforts, and reciprocity agreements; relationships between post-secondary institutions and business; and the physical capacity of existing institutions. The study shall analyze attendance patterns to determine gaps by program and instructional level, and shall include a market survey. The HECB shall seek matching money for the study. The HECB shall report the findings of the study to the education and finance committees of the senate and the education and appropriations committees of the house by November 1, 1990. By December 1, the HECB shall review and comment on each of the strategies proposed in the study. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for statewide policy.

Subd. 5. Interstate Tuition Reciprocity

\$4,300,000	\$4,300,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

	1988	1989
	\$	\$
Subd. 6. State Work Study		
\$5,304,000	\$5,454,000	
Subd. 7. Minitex Library Program		
\$1,064,000	\$1,064,000	
Subd. 8. Enterprise Development Partnerships		
\$ 201,000		

This appropriation is for the Enterprise Development Centers in Bemidji, Crookston and Fergus Falls. The program shall seek future funding from the Greater Minnesota Corporation. As part of its next biennial budget request, the HECB shall report on action taken on future funding of these centers.

Subd. 9. Income Contingent Loans

The board may continue to operate an income contingent loan repayment program to assist graduates of Minnesota schools in medical, dental, pharmacy, chiropractic medicine, public health, and veterinary medicine and Minnesota graduates of optometry and osteopathy programs in repaying their student debt by providing a repayment plan based on their annual income. During the biennium, applicant data collected by the higher education coordinating board for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to Minnesota Statutes, section 136A.162. The HECB shall study the possible inclusion of students in other academic programs and report its recommendations to the house appropriations and senate finance committees by December 1, 1990.

	1988	1989
\$		\$

Subd. 10. An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 11. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state scholarship and grant appropriation. Before the transfer, the higher education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. Total Appropriation	168,271,000	176,165,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

As part of its next budget request, the board shall report on its method of implementing the base adjustments required in this section.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$218,853,000 the first year and \$229,345,000 the second year.

\$1,862,000 in each year is for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The state board shall report to the education divisions of the house appropriations and senate finance committees on its use of the money by February 15 of each year in the biennium.

\$3,458,000 in 1990 and \$3,613,000 in 1991 are for repair and replacement. Revenue for this purpose must be re-

	1988	1989
	\$	\$

corded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the system's 1991-1993 biennial budget request. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

\$1,785,000 in each year is to improve student support services including, but not limited to: remedial programs and needs assessment, financial aid and counseling services, and minority student services. The money is also available for library development and improvement. The state board shall report to the education divisions of the house appropriations and senate finance committees on its use of these funds by February 1 of each year of the biennium.

\$783,000 in each year is for salaries, equipment and supplies to improve services for disabled students. This appropriation must be spent for these purposes only. The appropriation does not cancel and is available for these purposes until June 30, 1991. The board shall report on its use of these funds as part of the 1991-1993 budget request.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the amounts for repair and replacement may be paid when due by the board.

The state board of vocational technical education shall report to the education divisions of the house appropriations and senate finance committees on its newly developed student placement

	1988	1989
	\$	\$

tracking system by February 1, 1990.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$6,474,000 the first year and \$6,314,000 the second year.

\$3,547,000 the first year and \$3,248,000 the second year are for debt service payments to school districts for technical institute buildings financed with district bonds issued before January 1, 1979.

\$38,000 the first year and \$30,000 the second year are for veteran farmer cooperative training programs.

\$90,000 the first year and \$90,000 the second year must be allocated by the state board to the state council on vocational education.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total Appropriation	89,426,000	98,634,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$120,883,000 the first year and \$133,471,000 the second year.

Amounts not to exceed \$5,573,000 in 1990 and \$4,359,000 in 1991 are for increased enrollment. This is a nonrecurring appropriation and will not be included when calculating the base for the 1991-1993 biennial budget. This appropriation is based on state money only and on estimated enrollments of

1988

1989

\$

\$

32,000 in 1990 and 33,500 in 1991. If actual enrollments are lower than these estimates, the commissioner of finance shall calculate the effect for the general fund and include an adjustment in the budget for the following fiscal year.

\$2,150,000 in each year is for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The state board shall report to the education divisions of the house appropriations and senate finance committees on its use of the money by February 15 of each year in the biennium.

\$1,582,000 in 1990 and \$1,639,000 in 1991 are for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the system's 1991-1993 biennial budget request. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

\$1,493,000 in each year is to improve student support services including, but not limited to: remedial programs and needs assessment, financial aid and counseling services, and minority student services. The money is also available for library development and improvement. The state board shall report to the education divisions of the house appropriations and senate finance committees on its use of these funds by February 1 of each year of the biennium.

\$410,000 in each year is for salaries, equipment and supplies to improve ser-

	1988	1989
\$		\$

vices for disabled students. This appropriation must be spent for these purposes only. The appropriation does not cancel and is available for these purposes until June 30, 1991. The board shall report on its use of these funds as part of the 1991-1993 budget request.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the amounts for repair and replacement may be paid when due by the board.

The community college system shall examine the feasibility, costs and effects of implementing a textbook rental system on its campuses. The findings shall be reported to the education divisions of the house appropriations and senate finance committees by February 15, 1990.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$11,968,000 the first year and \$12,482,000 the second year.

Sec. 5. STATE UNIVERSITY BOARD

Subdivision 1. Total Appropriation	167,045,000	178,455,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$237,054,000 the first year and \$252,619,000 the second year.

1988

1989

\$

\$

Amounts not to exceed \$4,959,000 in 1990 and \$1,938,000 in 1991 are for increased enrollment. This is a nonrecurring appropriation and will not be included when calculating the base for the 1991-1993 biennial budget. This appropriation is based on state money only and on estimated enrollments of 51,735 in 1990 and 51,998 in 1991. If actual enrollments are lower than these estimates, the commissioner of finance shall calculate the effect for the general fund and include an adjustment in the budget for the following fiscal year.

\$2,463,000 in each year is for the improvement of instructional programs, including but not limited to: additional sections of required undergraduate courses; expanded undergraduate advising; and enhanced academic computing capabilities. The board shall report on its actions and its use of these funds to the education divisions of the house appropriations and senate finance committees by February 1 of each year of the biennium.

\$564,000 in the first year and \$1,145,000 in the second year is for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The state board shall report to the education divisions of the house appropriations and senate finance committees on its use of the money by February 15 of each year in the biennium.

\$2,928,000 in 1990 and \$3,046,000 in 1991 are for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the system's 1991-1993 biennial budget re-

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quest. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the appropriation for repair and replacement may be paid when due by the board.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, or other law to the contrary, during the biennium neither the state university board nor the state university campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and appropriations.

\$149,000 in 1990 is for the state university board to enter into an agreement to lease space on the campus of the College of St. Teresa for the instructional needs of Winona State University. The board shall work with the department of administration, real estate management division, to negotiate and develop lease terms and conditions. The appropriation is available until June 30, 1991.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$10,520,000 the first year and \$10,715,000 the second year.

A \$250,000 fund is created under the state university board to provide grants for Minnesota resident students participating in the Akita program. The state university may draw from this fund as necessary and may request

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additional money in 1991 to maintain the fund at the \$250,000 level. The state university board, in consultation with the HECB, shall develop a grant program. Grants must be awarded on the basis of financial need using the standardized needs analysis and other eligibility criteria employed by the HECB in the state grant program, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant cap for a student at a four year private college. Students receiving grants under this subdivision are not eligible for the state grant program during the period for which this award applies. The state university board shall report on its use of this fund to the education divisions of the house appropriations and senate finance committees by January 1, 1991.

\$25,000 is appropriated in fiscal year 1990 from the general fund to the state university board to defray costs of post-secondary faculty participants in the education faculty exchange under section 72. This appropriation is available until June 30, 1991. This appropriation, and those provided to the boards in the omnibus education finance act, are intended to compensate for expenses that are unavoidable and beyond the normal living expenses faculty members would incur if they were not involved in this exchange. The state university board, the board of regents of the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing state or school district cars for transportation. Additionally the boards and campuses may seek

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other sources of funding to supplement these appropriations if necessary.

During the biennium, notwithstanding any law to the contrary, the state university board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board shall be kept by the board to the credit of the account from which the litigation was originally funded.

Subd. 4. Wood-Fired Boilers

Effective the day after final enactment of this subdivision, no more money shall be paid out of the treasury of this state in connection with an agreement under Minnesota Statutes, section 16B.16, to provide a wood-fired boiler heating system at the campus of either Bemidji state university or St. Cloud state university.

Minnesota Statutes, section 16B.16, authorizes the commissioner of administration to enter into installment purchase agreements to acquire equipment that will improve the energy efficiency of a state building or facility if, among other things, the entire cost of the contract is a percentage of the resultant savings in energy costs and the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract. Section 16B.16 does not authorize the commissioner to commit the state to pay for equipment that does not work nor to pay more for energy as a result of the installment purchase agreement than would be needed without the agreement. If there are no savings in energy costs through use of the equipment, there should be no compensation due under the agreement.

The commissioner of administration acted under Minnesota Statutes, sec-

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tion 16B.16 when entering into installment purchase agreements to install wood-fired boiler heating systems at the campuses of Bemidji State University and St. Cloud State University. The wood-fired boiler heating system installed at the Bemidji campus did not work as promised and the promised energy savings were not achieved. The state refused to make further payments under the agreement for Bemidji and canceled the agreement for St. Cloud. The state later resumed making payments under the agreement for Bemidji, even though it believed there had been a complete failure of consideration.

The purpose of this subdivision is to make clear to all potential investors in state and local bonds and to financial institutions that the state is not and never has been responsible for financing the wood-fired boiler heating systems at Bemidji and St. Cloud state universities, other than through payment to the vendor of a percentage of the resultant savings in energy costs. Since the equipment and technology chosen by the vendor did not produce savings in energy costs, the entire loss should be borne by the vendor and by the vendor's financial backers, not by the state.

Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation	437,294,000	464,295,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance	354,942,000	377,507,000
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On December 1 each year the president of the University of Minnesota shall

	1988	1989
	\$	\$

report to the senate finance and house appropriations committees and the commissioner of finance any receipts for the previous fiscal year in excess of the estimates on which these appropriations are based, the sources of these receipts, the purposes for which any excess receipts were spent, and the accounts to which the receipts were transferred. The total estimated receipts are \$138,769,000 for the first year and \$147,261,000 for the second year.

The board of regents are requested to consider adopting a policy of paying per diem to board members for attending a meeting of the board or a committee of the board.

(a) Instructional Expenditures.

The legislature estimates that instructional expenditures in subdivision 2 will be \$387,726,000 the first year and \$412,625,000 the second year.

\$3,307,000 in 1990 and \$5,601,000 in 1991 are for the improvement of instructional programs including, but not limited to: additional sections of required undergraduate courses; expanded undergraduate advising; and enhanced academic computing capabilities. The board shall report on its actions and its use of these funds to the education divisions of the house appropriations and senate finance committees by February 1 of each year of the biennium.

\$2,000,000 in each year is for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The board shall report to the education divisions of the house appropriations and senate finance committees on its use of the money by February 15 of each year in the biennium.

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\$8,992,000 in 1990 and \$9,345,000 in 1991 are for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the system's 1991-1993 biennial budget request. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

The regular session enrollment projected for this appropriation is 35,679 full-year equivalent undergraduate students for the first year and 35,752 for the second year. For developing the next biennial budget request, the regular session undergraduate enrollment used for the average cost funding formula must not exceed these numbers. For the biennium ending June 30, 1991, tuition income resulting from students in excess of the projections reduces the general fund appropriation by a like dollar amount. The legislature further anticipates that the regular session full-year equivalent undergraduate students must not exceed 33,862 by fiscal year 1993. The university shall submit progress reports on the attainment of the anticipated enrollments. If the university attains these enrollment goals, the calculation for the average cost funding formula must not reduce the budget base.

During the biennium, the regents are requested to provide fair and equitable

	1988	1989
	\$	\$

funding to each coordinate campus for the additional number of students enrolled above the 1988-1989 academic year enrollment.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$105,665,000 the first year and \$111,814,000 the second year.

\$129,000 in 1990 and \$167,000 in 1991 in noninstructional funds is to establish a training program for teaching assistants to improve their communications and teaching skills. The legislature anticipates that the university will allocate matching money internally to support teaching assistant programs. The university shall report on its actions and its use of this appropriation by January 15, 1991.

\$25,000 is appropriated in fiscal year 1990 from the general fund to the regents of the University of Minnesota to defray costs of post-secondary faculty participants in the education faculty exchange under section 72. This appropriation is available until June 30, 1991. This appropriation, and those provided to the boards in the omnibus education finance act, are intended to compensate for expenses that are unavoidable and beyond the normal living expenses faculty members would incur if they were not involved in this exchange. The state university board, the board of regents of the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing state or school district cars for transportation. Additionally the boards and campuses

	1988	1989
	\$	\$

may seek other sources of funding to supplement these appropriations if necessary.

Subd. 3. Special Appropriations	82,352,000	86,788,000
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(a) Minnesota Extension Service

\$15,948,200	\$16,724,400
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Any salary increases granted by the university to personnel paid from this appropriation must not result in a reduction of the county portion of the salary payments.

(b) Minnesota Extension/Safety Program

\$ 52,500	\$ 55,100
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(c) Agricultural Research

\$26,843,400	\$28,223,000
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During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(d) Veterinary Diagnostic Laboratory

\$1,646,900	\$1,819,200
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(e) Coleman Leukemia Research Center

\$ 263,600	\$ 276,700
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(f) Indigent Patients (County Papers)

\$ 315,000	\$ 330,800
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	1988	1989
	\$	\$
(g) Rural Physicians Associates Program		
\$ 622,700	\$ 653,800	
(h) Medical Research		
\$ 2,578,800	\$ 2,707,700	
(i) Special Hospitals, Service and Educational Offset		
\$10,455,900	\$10,978,700	

During the biennium, fees for service furnished to counties and individuals under this program must be sought to increase the money appropriated. The fees are appropriated to the board of regents for the university hospitals, to be available until June 30, 1991.

(j) Fellowships for Minority and Disadvantaged Students

\$ 58,800	\$ 61,700
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(k) General Research

\$2,330,000	\$2,446,400
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This appropriation is, as the board of regents may direct, for general research, and business and economic research including business and economic research at Duluth, center for urban and regional affairs, and museum of natural history.

(l) Intercollegiate Athletics

\$3,384,200	\$3,547,200
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This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21.

	1988	1989
	\$	\$

Of this appropriation, no less than the following amounts must be allocated to each campus:

Duluth

585,000	614,000
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Morris

71,000	74,000
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Crookston

47,000	50,000
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Waseca

47,000	50,000
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(m) Student Loans Matching Money

\$236,800	\$353,600
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(n) Talented Youth Mathematics Program

\$283,500	\$297,700
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Of this appropriation, \$45,000 is to match grant funds for teacher education.

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

(o) Geological Survey

\$1,031,100	\$1,082,700
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(p) Mineral Resources Research Center

\$ 831,600	\$ 873,200
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(q) Natural Resources Research Institute

\$2,647,100	\$2,779,400
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	1988	1989
	\$	\$
(r) Sea Grant College Program		
\$ 345,500	\$ 362,700	
(s) Underground Space Center		
\$ 246,800	\$ 259,100	
(t) Institute for Advanced Studies in Biological Process Technology		
\$ 992,300	\$1,041,900	
(u) Industrial Relations Education		
\$ 885,600	\$ 925,600	
(v) Institute for Human Genetics		
\$ 536,600	\$ 563,400	
(w) Microelectronics and Information Science Center		
\$ 716,100	\$ 751,900	
(x) Productivity Center		
\$ 362,300	\$ 380,400	
(y) Supercomputer Institute		
\$7,785,800	\$8,175,000	
(z) Rochester Graduate Education		
\$ 651,600	\$ 667,400	
The legislature estimates that \$973,000 in 1990 and \$996,000 in 1991 is for enhanced and expanded graduate programs.		
(aa) Biomedical Engineering Center		
\$175,000	\$325,000	
(bb) Humphrey Exhibit		
\$125,000	\$125,000	

	1988	1989
\$	\$	

Subd. 4. University of Minnesota,
Waseca

The appropriation in Laws 1987, chapter 400, section 20, subdivision 8, paragraph (a), to renovate the agriculture laboratories at Waseca, may also be used to construct a greenhouse.

Sec. 7. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	1,029,000	1,077,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

\$752,700	\$791,200
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The state of Minnesota shall pay a capitation of \$9,409 the first year and \$9,890 the second year for each student who is a resident of Minnesota.

This appropriation provides capitation for 20 Minnesota residents in each of the four classes at Mayo Medical School. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

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

Subd. 3. Family Practice and Graduate Residency Program

\$276,500	\$286,000
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The state of Minnesota shall pay a capitation of \$15,361 the first year and

	1988	1989
\$		\$
\$15,889 the second year for a maximum of 18 students each year.		

Sec. 8. POST-SECONDARY SYSTEMS

Subdivision 1. Base Level Adjustments

In preparing budget requests for the 1992-1993 biennium, the commissioner of finance shall make the same categories of base level adjustments to the budgets of higher education systems as to the budgets of state agencies. The amounts and the purposes must be delineated in the budget document.

Subd. 2. Enrollment Growth

Each public post-secondary governing board experiencing or anticipating enrollment growth on one or more of its campuses, shall plan for responding to the growth while maintaining educational quality. The boards shall provide a preliminary report on these plans and on their recruitment expenditures to the education divisions of the house appropriations and senate finance committees by September 1, 1989 and a final report by February 1, 1990.

Subd. 3. Metropolitan Area Planning

The University of Minnesota and the State University System shall engage in planning to meet the upper division baccalaureate needs of the metropolitan area. The planning shall be done jointly to meet the varying needs, but the unique strengths of each system should be recognized and built upon. The planning shall address the needs of different types of student populations including traditional, nontraditional, and minority students. The plans shall include at least: an assessment of

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needs; an evaluation of ways to meet those needs; an estimation of the costs of meeting the needs; and the effects of the plans on present systems and campuses. The plans shall also address the types of programs to be offered, the provision of core and additional faculty, and the need for facilities and equipment.

The University and State University System shall determine the appropriate processes and mechanisms to accomplish this planning. These shall include consultation with the community colleges, technical institutes, private colleges, and HECB. The University and State University System shall determine the appropriate deadlines for the process that will allow for creative, thoughtful planning while recognizing the immediacy of the needs.

The University and State University System shall inform the education divisions of the house appropriations and senate finance committees of the process and deadlines they develop.

Subd. 4. BOAST

In order to recognize student talent and the outstanding work of art and art-related departments on campuses of the four public post-secondary systems, the Minnesota House of Representatives intends to begin a program to reward these achievements. The program, entitled Bring Out Art Students' Talent (BOAST), will reward winners of campus art competitions by displaying their art in the state office building. The speaker of the house shall appoint, by July 1, 1989, a select committee to develop procedures and oversee the process. The heads of each of the public post-secondary systems are requested to consult with this committee and co-

	1988	1989
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ordinate the efforts of the campuses. Each campus may hold a competition and select the entries that are to be displayed. The campus shall arrange for the delivery, set up, and removal of the displays according to the procedures developed by the select committee.

Subd. 5. Student Progress

The state university board, the community college board, and the board of vocational technical education shall study the use of tuition banding and other mechanisms to provide incentives for students to carry full credit loads. All public post-secondary governing boards shall also study nonfinancial impediments to students completing programs within two or four years. These may include unavailability of courses, expanded programmatic requirements, students' lack of preparation for college, changes in values and attitudes, and other factors identified by the boards. The boards shall examine ways to reduce or eliminate these impediments and to encourage students to complete their educational programs in a more timely fashion. The boards shall report their findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1990.

Subd. 6. Student Preparation

In order to increase students' academic preparation for higher education, and to decrease the need for remedial work in post-secondary institutions, the state university board, the community college board, and the state board for vocational technical education shall study and make recommendations on the effects of adopting secondary school preparation requirements for incoming

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students. Each board shall report its findings to the education divisions of the house appropriations and senate finance committees by February 1, 1990.

Subd. 7. HEAC

The higher education advisory council, in cooperation with the HECB, shall develop statewide standards to guide conduct in marketing institutions and recruiting students. It further shall examine the feasibility of joint marketing and recruiting to help control costs and reduce duplication of services. These shall be done as a part of the planning and mission requirements and reported as part of the system plans in December 1990.

The higher education advisory council, in cooperation with the HECB, shall examine the feasibility and costs of operating all public post-secondary campuses on a common calendar basis. The HEAC shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1990.

The higher education advisory council, in cooperation with the HECB, shall examine the feasibility and costs of a statewide program for health and hospitalization insurance for students in all public post-secondary institutions. The HEAC shall report its recommendations to the education divisions of the senate finance and house appropriations committees by February 15, 1990.

The higher education advisory council, in cooperation with the HECB, shall examine the feasibility and costs of developing and implementing a uniform procedure for assessing the reme-

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dial needs of incoming students. The HEAC shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1990.

Subd. 8. Sexual Harassment Policies

By September 1, 1990, each public post-secondary governing board shall adopt written sexual harassment and sexual violence policies that address the needs of system and campus employees and students. The policies must conform to the applicable provisions of Minnesota Statutes, sections 363.01 to 363.15. The policies must include reporting procedures and disciplinary actions. Disciplinary actions must conform to collective bargaining agreements, when applicable. The policy must be posted in each system and campus building and incorporated into campus catalogues, course schedules, or other materials provided to students during registration.

Subd. 9. Student Placement

The state board for community colleges shall develop a student placement tracking system for its occupational programs to enable it to determine the number of students placed successfully in occupations related to their education. The board of regents of the University of Minnesota is requested to develop a similar system for its technical programs at the Crookston and Waseca campuses. Each board shall report its actions to the education divisions of the house appropriations and senate finance committees by February 15, 1990.

Sec. 9. Minnesota Statutes 1988, section 121.93, subdivision 2, is amended to read:

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for secondary vocational education, a cooperative center for special education, a ~~technical institute~~, or an intermediate service area.

Sec. 10. Minnesota Statutes 1988, section 121.93, subdivision 3, is amended to read:

Subd. 3. "ESV-IS" or "elementary, secondary, and secondary vocational education management information system" means that component of the statewide elementary, secondary, and secondary vocational education management information system which provides administrative data processing and management information services to districts.

Sec. 11. Minnesota Statutes 1988, section 121.93, subdivision 4, is amended to read:

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary, and secondary vocational education management information system which provides data processing and management information services to the department of education.

Sec. 12. Minnesota Statutes 1988, section 126.56, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires is permanent and does not expire as provided in section 15.059, subdivision 5.

Sec. 13. Minnesota Statutes 1988, section 135A.05, is amended to read:

135A.05 [TASK FORCE.]

The executive director of the Minnesota higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the education division of the house appropriations committee, the education subcommittee of the senate finance committee, the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year. The task force expires is permanent and does not expire as provided in section 15.059, subdivision 6.

Sec. 14. Minnesota Statutes 1988, section 135A.06, subdivision 3, is amended to read:

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

Each planning report shall consider at least the following elements:

(1) a statement of program priorities for undergraduate, graduate, and professional education, including data about program cost and average class size within each institution;

(2) the effects of proposed programmatic and enrollment changes on other systems and campuses;

(3) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand, including consideration of campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and consolidation of institutions, services, and programs that serve the same geographic area under different governing boards;

(4) a review of the current and projected use of community outreach and extension programs including information on all off-campus sites;

(3) (5) enrollment projections for two, five, and ten years based on recent available projections produced by the higher education coordinating board or, if different projections are used, they shall be compared to those prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(4) (6) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining changing enrollments and fiscal resources;

(5) (7) opportunities for providing services cooperatively with other public and private institutions in the same geographic area; and

(6) (8) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, to improve delivery of services, and to establish clear and distinct roles and priorities.

Sec. 15. Minnesota Statutes 1988, section 136.31, subdivision 3, is amended to read:

Subd. 3. ~~Such~~ The bonds ~~shall must~~ be executed by ~~such the~~ officers of ~~said the board as shall be designated by said the board to execute them and countersigned by the treasurer of elected by the board who shall be an officer duly elected by the board; provided that at least one of such officers shall sign each bond manually and the other signatures or countersignature thereon and on the interest coupons may be printed, lithographed, stamped or engraved thereon. Any bonds bearing the signature of officers in office at the date of signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers, or that any or all such persons did not hold such offices at the date of such bonds.~~

Sec. 16. Minnesota Statutes 1988, section 136.31, subdivision 5, is amended to read:

Subd. 5. ~~Whenever If~~ the board shall by resolution determine ~~determines that there are moneys in the possession of its treasurer possesses money not currently needed, or which are that is set aside in any a reserve, the board may in and by such the resolution authorize and may direct the treasurer to invest a specified amount thereof of the money in treasury bonds or bills, certificates of indebtedness, bonds or notes of the United States of America~~

securities of the types described in section 475.66. The securities so purchased shall must be deposited with and held for the board by the board treasurer. Whenever funds so If the invested are money is needed by the board it shall direct its the treasurer to sell the same all or a designated amount thereof of the securities. All moneys Money collected thereon from the investment by the board treasurer, as principal, interest, or proceeds of sales, shall must be credited to and constitute made a part of the fund and account for which the investment was is made.

Sec. 17. Minnesota Statutes 1988, section 136A.02, is amended to read:

136A.02 [MEMBERSHIP; OFFICERS; ADVISORY COMMITTEES.]

Subdivision 1. [MEMBERSHIP.] The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, two citizen members and one student member also to be appointed by the governor with the advice and consent of the senate to represent the state at large. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment or within one year prior to appointment. The student advisory council may recommend candidates to the governor for the student member position. All appointees to the board shall be selected for their knowledge of and interest in post-secondary education and at least one shall be selected specifically for knowledge of and interest in vocational education. A nonstudent member of the board must not be an employee of or receive compensation from a public or private post-secondary institution while serving on the board. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but must not otherwise be employed or compensated by a post-secondary institution while serving on the board.

Subd. 1a. [TERMS.] The term of each voting board member shall be six years, except that the student member's term shall be two years. As nearly as possible, one-sixth of the terms of the voting board members shall expire each year. The compensation, removal of voting members, and filling of vacancies among voting members on the board shall be as provided in section 15.0575, subdivisions 3, 4, and 5.

Subd. 3. [OFFICERS.] The higher education coordinating board shall elect a president and a secretary and such other officers as it deems necessary. It shall fix its meeting dates and places. The commissioner of administration shall provide it with appropriate offices.

Subd. 5. [ADVISORY GROUPS.] The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059, except that the task force created in section 135A.05 and the advisory councils in subdivisions 6 and 7 are permanent and do not expire.

Subd. 6. [HIGHER EDUCATION ADVISORY COUNCIL.] A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The council shall report to the board at least quarterly. The council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. The council expires is permanent and does not expire as provided in section 15.059, subdivision 5.

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board;

(2) make recommendations to the board as the council deems appropriate;

(3) review and comment upon proposals and other matters before the board;

(4) provide any reasonable assistance to the board; and

(5) select one of its members to serve as chair. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. The council ~~expires~~ is permanent and does not expire as provided in section 15.059, subdivision 5.

Sec. 18. Minnesota Statutes 1988, section 136A.04, is amended to read:

136A.04 [DUTIES.]

Subdivision 1. The higher education coordinating board shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(b) Continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new or additional programs of instruction or ~~substantial~~ changes in existing programs to be established in or offered by, the University of Minnesota, the state universities, the community colleges, technical institutes, and private collegiate and noncollegiate post-secondary institutions. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When

reviewing new or existing programs, the board shall consider whether the program is unnecessary, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(e) Develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the community college system, and the technical institutes, which includes the relating of dollars to program output;

(f) Review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, the state universities, the community colleges, and technical institutes for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(g) Obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(h) Continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts;

(i) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Subd. 2. The higher education coordinating board shall review and make recommendations regarding a plan or proposal for a new or additional program of instruction or a substantial change in an existing program of instruction to be offered by a technical institute within 45 days of the transmission of approval of the plan or proposal to the higher education coordinating board by the state board for of vocational technical education. The higher education coordinating board shall then transmit a written explanation of its recommendations within five days of board action to the director of the applying technical institute and to the commissioner of state director of vocational technical education.

Sec. 19. Minnesota Statutes 1988, section 136A.05, is amended to read:

136A.05 [COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.]

All public institutions of higher education, all school districts providing post-secondary vocational education, and all state departments and agencies shall cooperate with and supply information requested by the higher education coordinating board in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.

Sec. 20. Minnesota Statutes 1988, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NON-RESIDENT TUITION WITH OTHER STATES.]

Subdivision 1. [AUTHORIZATION.] The Minnesota higher education coordinating board herein referred to as the board, in addition to its general responsibility for cooperatively engaging in planning higher education needs with neighboring states pursuant to section 136A.04, may enter into agreements ~~or understandings which include~~, including remission of nonresident tuition for designated categories of students at state public post-secondary institutions of higher education and public technical institutes, with appropriate state agencies and public post-secondary institutions of higher education in other states to facilitate utilization of public higher education institutions in this state and other states. ~~Such~~ The agreements shall have as their be for the purpose of the mutual improvement of educational advantages for residents of this state and such other states ~~or institutions of other states with whom agreements are made.~~

Subd. 2. [WISCONSIN.] At the discretion of the board, A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision for transfer of funds between the two states is included in a collegiate education reciprocity agreement, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. ~~Such~~ The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the

higher education coordinating board to the commissioner of finance annually.

Subd. 2 3. [NORTH DAKOTA; SOUTH DAKOTA.] At the ~~discretion of the board~~, A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included ~~in an agreement~~, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3 4. [FINANCIAL AID.] The board may enter into an agreement, with a state with which it has negotiated a reciprocity agreement for tuition, to permit students from both states to receive student aid awards from the student's state of residence for attending an eligible institution in the other state.

Subd. 4 5. [GOVERNING BOARD APPROVAL.] ~~No~~ An agreement made by the board pursuant to under this section ~~shall be is not valid as to a technical institute particular institution without the approval of the state board for vocational education; as to a state university without the approval of the state university board; as to a community college without the approval of the state board for community colleges; and as to the University of Minnesota without the approval of the board of regents of the University of Minnesota that institution's state governing board.~~

Sec. 21. Minnesota Statutes 1988, section 136A.095, is amended to read:

136A.095 [~~GRANTS IN AID~~; PURPOSE OF STATE GRANTS.]

The legislature finds and declares that the identification of men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students. The higher education coordinating board shall administer the grant programs and develop necessary policies and adopt necessary rules.

Sec. 22. Minnesota Statutes 1988, section 136A.101, is amended to read:

136A.101 [DEFINITIONS.]

Subdivision 1. For purposes of sections ~~136A.09~~ 136A.095 to ~~136A.131~~ 136A.134, the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 4. "Eligible institution" means a post-secondary educational institution located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs that either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state.

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant's parents, by a college scholarship service or equivalent service under criteria established by the board.

Subd. 6. "Qualified applicant" means a person who ranked in the upper quarter of the class at the end of the junior year in high school according to academic standards prescribed by the board for the state scholarship program. It also means any eligible person regardless of academic rank for the state grant-in-aid program.

Subd. 7. "Student" means a person who is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate, or, for the purposes of section 136A.132, a person enrolled less than half-time.

Subd. 8. "Resident student" ~~includes~~ means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school and has not since established residence in another state; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subd. 9. [INDEPENDENT STUDENT.] "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Sec. 23. Minnesota Statutes 1988, section 136A.121, is amended to read:

136A.121 [SCHOLARSHIPS AND GRANTS-IN-AID GRANTS.]

Subdivision 1. [ELIGIBILITY FOR SCHOLARSHIPS.] An applicant is eligible to be considered for a scholarship under sections 136A.09 to 136A.131 if the board finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) has met all the requirements for admission as a student to an eligible institution of choice as defined in sections 136A.09 to 136A.131;

(3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;

(4) is a qualified applicant.

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID GRANTS.] An applicant is eligible to be considered for a grant-in-aid grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.09 136A.095 to 136A.131 if the board finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical institute of choice as defined in sections 136A.09 136A.095 to 136A.131;

(3) has met the financial need criteria established in rules; and

(4) is not presently in default, as defined by the board, of any federal or state student educational loan.

Subd. 3. [ALLOCATION.] Scholarships and grants-in-aid Grants shall be awarded on a funds available basis to those applicants who meet the board's requirements.

Subd. 4. [SCHOLARSHIP STIPENDS.] An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. The amount of a financial stipend must not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) for an applicant who is not an independent student, a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

The minimum financial stipend is \$100.

Subd. 5. [GRANTS-IN-AID GRANT STIPENDS.] A financial stipend based on financial need must accompany grants-in-aid. The amount of a financial stipend must not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) for an applicant who is not an independent student, a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100.

Subd. 6. [COST OF ATTENDANCE.] The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

(a) for public institutions, tuition and fees charged by the institution; or

(b) for private institutions, an allowance for tuition and fees equal to the lesser of (1) the actual tuition and fees charged by the

institution, or (2) the instructional costs per full-year equivalent student in comparable public institutions.

Subd. 7. [INSUFFICIENT APPROPRIATION.] If the amount appropriated is determined by the board to be insufficient to make full awards to applicants under subdivisions 4 and subdivision 5, before any award for that year has been disbursed, then awards shall be reduced by

(a) adding a surcharge to the contribution of the applicant's parents, and

(b) a percentage increase in the applicant's contribution.

Subd. 9. [INITIAL AWARDS.] An undergraduate student who has not previously received a scholarship or grant-in-aid grant and who meets the board's requirements is eligible to apply for and receive an initial scholarship or grant-in-aid grant in any year of undergraduate study.

Subd. 10. [RENEWALS.] Each scholarship or grant-in-aid grant shall be awarded for one academic year, is renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first.

Subd. 11. [RENEWAL CONDITIONS.] Each scholarship or grant-in-aid grant is renewable, contingent on continued residency in Minnesota, satisfactory academic standing, recommendation of the eligible institution currently attended, and evidence of continued need.

Subd. 12. [ANNUAL APPLICATION.] To continue to receive a scholarship or grant-in-aid grant, the student shall apply for renewal each year.

Subd. 13. [DEADLINE.] The board shall accept applications for state scholarships and grants-in-aid grants until February 15 and may establish a deadline for the acceptance of applications that is later than February 15.

Subd. 15. All scholarship and grant-in-aid recipients shall be notified of their awards by the board and shall be given appropriate evidence of the award.

Subd. 16. [HOW APPLIED; ORDER.] Scholarships and grants-in-aid Grants awarded under sections 136A.09 136A.095 to 136A.131 shall be applied to educational costs in the following order: tuition,

fees, books, supplies and other expenses. Unpaid portions of the awards revert to the scholarship or grant-in-aid grant account.

Subd. 17. [INDEPENDENT STUDENT INFORMATION.] The board shall inform students, in writing, as part of the application process, about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Sec. 24. [136A.125] [CHILD CARE GRANTS.]

Subdivision 1. [ESTABLISHMENT.] A child care grant program is established under the supervision of the higher education coordinating board. The program makes money available to eligible students to reduce the costs of child care while attending an eligible post-secondary institution. The board shall develop policies and adopt rules as necessary to implement and administer the program.

Subd. 2. [ELIGIBLE STUDENTS.] An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2, as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory progress, as determined by the institution.

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota is eligible to receive child care funds from the board and disburse them to eligible students.

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant shall be based on:

- (1) the financial need of the applicant;
- (2) the number of the applicant's children; and
- (3) the cost of the child care,

as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant shall be awarded for one academic year.

Subd. 5. [INITIAL ALLOCATIONS TO INSTITUTIONS.] The board initially shall allocate funds to an eligible institution based on the number of its enrolled students with dependent children who applied for state grants in the previous academic year.

Subd. 6. [YEARLY ALLOCATIONS TO INSTITUTIONS.] The board shall base yearly allocations on the need for and use of the funds in the previous academic year, and other relevant factors as determined by the board in consultation with the institutions.

Subd. 7. [MONITORING AND REALLOCATION.] The board shall establish procedures to (1) continually monitor the use of funds throughout the year; (2) identify areas of unmet need for grants; and (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. [INFORMATION.] The board shall develop and provide information about the program to eligible post-secondary institutions, human service agencies, and potential applicants.

Subd. 9. [REPORT.] Institutions must submit reports, when requested by the board, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports shall also include the institution's method of prioritizing applicants where insufficient funds were available.

Sec. 25. [CAMPUS INCENTIVES.]

Each public post-secondary system that operates child care facilities on any of its campuses shall work with those campuses to develop alternatives and incentives for students who cannot afford child care. These may include, but are not limited to, cooperative arrangements and work study employment. The systems shall

report on these efforts to the education divisions of the house appropriations and senate finance committees by February 15, 1991.

Sec. 26. Minnesota Statutes 1988, section 136A.131, is amended to read:

136A.131 [ACCOUNTING AND RECORDS.]

Subdivision 1. [ACCOUNTS.] The board shall establish and maintain appropriate ~~scholarship and grant-in-aid~~ accounts and related records of each recipient of a ~~scholarship or grant-in-aid awarded grant~~.

Subd. 2. [RULES, PAYMENT AND ACCOUNTING.] The board shall provide by rule the method of payment of the ~~scholarships and grants-in-aid~~ grant awarded ~~hereunder~~ and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. [CERTIFICATION TO COMMISSIONER OF FINANCE.] Upon proper verification for payment of a ~~scholarship or grant-in-aid~~ as defined herein grant, the board shall certify to the commissioner of finance the amount of the current payment to be made to the ~~scholarship winner or grant-in-aid~~ grant recipient in conformance with the rule of the board governing the method of payment.

Subd. 4. [OVERDUE REFUNDS.] A post-secondary institution must pay interest to the board on retained grant funds if: (a) the institution deposited, but did not disburse, the funds within 45 days of the beginning of the term for which a student is eligible; or (b) the institution did not return funds from a refund calculation within 45 days of the refund notification or 30 days of the end of the term, whichever is first.

The interest rate is as provided in section 270.75, subdivision 5. The amount of interest due is the lesser amount, accrued on a daily basis, from: 45 days after the institution receives funds for the eligible student or 45 days after the beginning of the term for which the student is eligible, until the date of receipt of the funds by the board. The minimum interest charge is \$50 per year.

Subd. 5. [RECOVERY OF OVERPAYMENTS.] A recipient of a grant must reimburse the board for overpayment. The amount of reimbursement is the difference between the amount received and the amount of actual entitlement as calculated by the board after it determines the final information required in section 136A.121. The amount of reimbursement shall include any costs or expenses, including reasonable attorney fees, incurred by the agency in collecting the debt. The reimbursement shall be recoverable from

the recipient or the recipient's estate. The agency may institute civil action, if necessary for recovery.

The recipient must not receive future awards until the overpayment is recovered or the recipient is making payments under an approved plan. Future awards for which the recipient is eligible may be used to recover a prior overpayment.

Sec. 27. Minnesota Statutes 1988, section 136A.132, is amended to read:

136A.132 [PART-TIME STUDENT GRANT-IN-AID GRANT PROGRAM.]

Subdivision 1. [CREATION.] ~~There is hereby created~~ A part-time student ~~grant-in-aid grant~~ program is created under the supervision of the higher education coordinating board.

Subd. 2. [ELIGIBLE INSTITUTIONS.] Institutions eligible for attendance by recipients of part-time student ~~grants-in-aid grants~~ shall be those institutions approved by the higher education coordinating board as eligible institutions for the state ~~grant-in-aid grant~~ program in accordance with section 136A.101.

Subd. 3. [STUDENT ELIGIBILITY.] An applicant is eligible to be considered for a part-time student grant if the applicant:

- (a) is a resident of the state of Minnesota;
- (b) is an undergraduate student who has not earned a baccalaureate degree;
- (c) is pursuing a program or course of study that applies to a degree, diploma, or certificate; and
- (d) is attending an eligible institution either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board; and
- (e) is not presently in default, as defined by the board, of any federal or state student educational loan.

Subd. 4. [SELECTION.] A recipient of a part-time ~~grant-in-aid grant~~ shall be selected by the post-secondary education institution of attendance in accordance with guidelines, policies and rules established by the higher education coordinating board.

Subd. 5. [AMOUNT.] The amount of any part-time student ~~grant-in-aid grant~~ award shall be based on the need of the applicant

determined by the institution in accordance with policies and rules established by the higher education coordinating board.

Subd. 6. [LENGTH OF AWARD.] Part-time student ~~grants-in-aid grants~~ shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms.

A new or returning student enrolled at least half time but less than full time, as defined by the board, and pursuing a program or course of study that applies to a degree, diploma, or certificate shall be eligible for an award for only one term.

Subd. 7. [INSTITUTIONAL ALLOCATION.] Funds appropriated for part-time student ~~grants-in-aid grants~~ shall be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of resident part-time students enrolled in each institution and other relevant factors determined by the board. However, an institution must not receive less than it would have received under the allocation formula used before fiscal year 1988.

Sec. 28. Minnesota Statutes 1988, section 136A.134, subdivision 4, is amended to read:

Subd. 4. [PROGRAM RECIPIENTS.] An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. ~~The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.~~

Sec. 29. Minnesota Statutes 1988, section 136A.15, subdivision 1, is amended to read:

Subdivision 1. For purposes of sections ~~136A.14~~ 136A.15 to ~~136A.17 and section 136A.1701~~ 136A.1702, the terms defined in this section have the meanings ascribed to them.

Sec. 30. Minnesota Statutes 1988, section 136A.15, subdivision 7, is amended to read:

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. ~~A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.~~ Eligible student, except for purposes of

section 136A.1701, includes parents of an eligible student as the term "parent" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term "auxiliary" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (b), to a consumer credit reporting agency.

Sec. 31. Minnesota Statutes 1988, section 136A.15, is amended by adding a subdivision to read:

Subd. 8. "Resident student" means a student who meets the conditions provided in section 136A.101, subdivision 8.

Sec. 32. Minnesota Statutes 1988, section 136A.16, is amended to read:

136A.16 [POWERS AND DUTIES OF BOARD RESPONSIBILITIES FOR LOAN PROGRAMS.]

Subdivision 1. Notwithstanding chapter 16, the Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.14 136A.15 to 136A.17 and section 136A.1701 136A.1702. The board may establish one or more loan programs.

Subd. 2. The board shall adopt policies and prescribe appropriate rules to carry out the purposes of sections 136A.14 136A.15 to 136A.17 and section 136A.1701 136A.1702. The policies and rules except as they relate to loans under section 136A.1701 shall be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.

Subd. 3. The board may make loans in amounts not to exceed the maximum amount provided in the Higher Education Act of 1965 and any amendments thereof except that the limitation shall not apply to loans under section 136A.1701. The board may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. The board may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the board.

Subd. 5. The board shall have the right to contract with guarantee agencies, insurance agencies, and/or collection agencies, or any

other person, to carry out the purposes of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ and section ~~136A.1701~~ 136A.1702.

Subd. 6. The board shall be empowered to charge for insurance on each loan a premium, payable each year in advance. The premiums shall not be in an amount in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 136A.1701. Premium fees shall be available to the board without fiscal year limitation for the purposes of making loans and meeting expenses of administering the loan programs.

Subd. 7. The board may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for funds, it may comply with all requirements of state and federal law and rules and regulations, and enter into the contracts necessary to enable it to receive, accept, and administer such funds.

Subd. 8. Moneys made available to the board which are not immediately needed for the purposes of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ and section ~~136A.1701~~ 136A.1702 may be invested by the board. Such moneys shall be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. Such money may also be invested in such prime quality commercial paper as is eligible for investment in the state employees retirement fund. All interest and profits from such investments shall inure to the benefit of the board.

Subd. 9. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the loan programs established and defined by sections ~~136A.14~~ 136A.15 to ~~136A.17~~ and section ~~136A.1701~~ 136A.1702.

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ and section ~~136A.1701~~ 136A.1702, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Subd. 11. The board shall periodically review and evaluate its programs and activities and shall report to the governor on or before the beginning of each session of the state legislature.

Subd. 12. The board shall establish and maintain appropriate accounting and related records.

Sec. 33. Minnesota Statutes 1988, section 136A.162, is amended to read:

136A.162 [CLASSIFICATION OF DATA.]

All data on applicants for financial assistance collected and used by the higher education coordinating board for student financial aid programs administered by that board shall be classified as private data on individuals under section 13.02, subdivision 12. Exceptions to this classification are that:

(a) the names and addresses of program recipients or participants are public data; and

(b) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower gives and cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

(1) the lender-assigned borrower identification number;

(2) the name and address of borrower;

(3) the name and address of cosigner;

(4) the date the account is opened;

(5) the outstanding account balance;

(6) the dollar amount past due;

(7) the number of payments past due;

(8) the number of late payments in previous 12 months;

(9) the type of account;

(10) the responsibility for the account; and

(11) the status or remarks code.

Sec. 34. Minnesota Statutes 1988, section 136A.17, subdivision 1, is amended to read:

Subdivision 1. A student shall be eligible to apply for a loan under the provisions of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702 if the board finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and

regulations governing the federal guaranteed student loan programs.

Sec. 35. Minnesota Statutes 1988, section 136A.1701, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702 and applicable provisions of federal law as provided in this section.

Sec. 36. Minnesota Statutes 1988, section 136A.1701, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF PROGRAM.] The purpose of the loan programs under this section is to provide financial assistance for the post-secondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702.

Loans granted to students shall be used solely for educational purposes.

Sec. 37. Minnesota Statutes 1988, section 136A.1701, subdivision 5, is amended to read:

Subd. 5. [MAXIMUM LOANS FOR STUDENTS.] Loans made under this section or sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Sec. 38. Minnesota Statutes 1988, section 136A.172, is amended to read:

136A.172 [NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.]

The board may from time to time issue negotiable notes for the purpose of sections ~~136A.14~~ 136A.15 to 136A.179 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The board may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the board or any issue thereof may contain any provisions which the board is authorized to include in any resolution or resolutions authorizing revenue bonds of the board or any issue thereof, and the board may

include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the board, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

Sec. 39. Minnesota Statutes 1988, section 136A.173, subdivision 1, is amended to read:

Subdivision 1. The board may from time to time issue revenue bonds for purposes of sections ~~136A.14~~ 136A.15 to 136A.179 and all such revenue bonds, notes, bond anticipation notes or other obligations of the board issued pursuant to sections ~~136A.14~~ 136A.15 to 136A.179 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the board may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the board available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the board in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the board may contain.

Sec. 40. Minnesota Statutes 1988, section 136A.174, is amended to read:

136A.174 [SECURITY FOR BONDS.]

In the discretion of the board any revenue bonds issued under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179 may be secured by a trust agreement by and between the board and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the board authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as

may be required by the board. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders.

Sec. 41. Minnesota Statutes 1988, section 136A.175, subdivision 4, is amended to read:

Subd. 4. All such revenue bonds shall be subject to the provisions of sections 136A.14 136A.15 to 136A.179 in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.14 136A.15 to 136A.179.

Sec. 42. Minnesota Statutes 1988, section 136A.176, is amended to read:

136A.176 [BONDS NOT STATE OBLIGATIONS.]

Bonds issued under authority of sections 136A.14 136A.15 to 136A.179 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

Sec. 43. Minnesota Statutes 1988, section 136A.177, is amended to read:

136A.177 [RIGHTS OF BONDHOLDERS.]

Any holder of revenue bonds issued under the provisions of sections 136A.14 136A.15 to 136A.179 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.14 136A.15 to 136A.179 or by such resolution or trust agreement to be performed by the board or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the

provisions of such resolution or trust agreement to be fixed, established and collected.

Sec. 44. Minnesota Statutes 1988, section 136A.178, is amended to read:

136A.178 [LEGAL INVESTMENTS; AUTHORIZED SECURITIES.]

Bonds issued by authority under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 45. Minnesota Statutes 1988, section 136A.179, is amended to read:

136A.179 [PUBLIC PURPOSE; TAX FREE STATUS.]

The exercise of the powers granted by sections ~~136A.14~~ 136A.15 to 136A.179 will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the board or its agent will constitute the performance of an essential public function.

Sec. 46. Minnesota Statutes 1988, section 136A.233, is amended to read:

136A.233 [WORK-STUDY GRANTS.]

Subdivision 1. [ALLOCATION TO INSTITUTIONS.] ~~Notwith-~~
~~standing the provisions of sections 136A.09 to 136A.131,~~ The higher
education coordinating board may offer work-study grants to eligible
post-secondary institutions according to the resident full-time
equivalent enrollment of all eligible post-secondary institutions that
apply to participate in the program. The board shall seek to equalize
work-study job opportunities by also taking into account student
employment needs at eligible institutions. Each institution wishing
to receive a work-study grant shall submit to the board, in accor-
dance with policies and procedures established by the board, an
estimate of the amount of funds needed by the institution, ~~and~~ The
amount allocated to any institution shall not exceed the estimate of
need submitted by the institution. Any funds which would be
allocated to an institution according to full-time equivalent enroll-
ment but which exceed the estimate of need by the institution or the
actual need of the institution may be reallocated by the board to
other institutions for which the estimate of need exceeds the amount
of allocation according to enrollment. The institution must not
receive less than it would have received under the allocation formula
used before fiscal year 1988. No more than one-half of any increase
in appropriations, attributable to this section, above the level before
fiscal year 1988 may be allocated on the basis of identified student
employment needs at eligible institutions.

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to
136A.234, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or
intending to enroll full time in a Minnesota post-secondary institu-
tion. A Minnesota resident includes a student who graduated from a
Minnesota high school and has not since established residence in
another state.

(b) "Minnesota resident" means a student who meets the condi-
tions provided in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in
order to attend a post-secondary institution as determined by a
post-secondary institution according to guidelines established by the
higher education coordinating board.

(e) (d) "Eligible employer" means any eligible post-secondary
institution and any nonprofit, nonsectarian agency or state institu-
tion located in the state of Minnesota, including state hospitals, and
also includes a handicapped person or a person over 65 who employs
a student to provide personal services in or about the residence of
the handicapped person or the person over 65.

(d) (e) "Eligible post-secondary institution" means any post-sec-
ondary institution eligible for participation in the Minnesota state

scholarship and grant program as specified in section 136A.101, subdivision 4.

(e) (f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 3. [PAYMENTS.] Work-study payments shall be made to eligible students by post-secondary institutions as follows:

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) No eligible student shall be employed under the state work-study program while not a full time student; provided, with the approval of the institution, a full time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) Not less than 20 percent of the compensation paid to the student under the state work-study program shall be paid by the eligible employer.

(f) Each post-secondary institution receiving funds for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

Sec. 47. Minnesota Statutes 1988, section 136A.26, subdivision 1a, is amended to read:

Subd. 1a. [PRIVATE COLLEGE COUNCIL MEMBER.] The ~~chief executive officer~~ president of the Minnesota private college council, or the president's designee, shall serve, without compensation, as an advisory, nonvoting member of the authority.

Sec. 48. Minnesota Statutes 1988, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$150,000,000~~ \$250,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 49. Minnesota Statutes 1988, section 136A.69, is amended to read:

136A.69 [FEES.]

The board may collect reasonable registration fees not to exceed ~~\$200~~ \$400 for an initial registration of each school and ~~\$150~~ \$250 for each annual renewal of ~~such~~ an existing registration.

Sec. 50. Minnesota Statutes 1988, section 136C.04, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF STATE DIRECTOR.] The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. ~~The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 1 of each even-numbered year.~~

Sec. 51. Minnesota Statutes 1988, section 136C.04, subdivision 6, is amended to read:

Subd. 6. [ACCOUNTING AND REPORTING STANDARDS.] The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917, except that reports required by section 121.908 shall be submitted to the state board on dates determined by the state board. However, all expenditures and revenue related to summer session credit courses shall be recognized in the fiscal year in which the course begins.

Sec. 52. Minnesota Statutes 1988, section 136C.04, subdivision 9, is amended to read:

Subd. 9. [LICENSURE.] The state board may promulgate rules, according to the provisions of chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education. The state board may adopt emergency licensure rules, according to sections 14.29 to 14.36, when necessary for continuous programs approved by the board and when the board determines that appropriate licensure standards do not exist. The time limits in section 14.29 do not apply to emergency licensure rules. The state board may establish a processing fee for the issuance, renewal, or extension of a license.

Sec. 53. Minnesota Statutes 1988, section 136C.04, subdivision 10, is amended to read:

Subd. 10. [ALLOCATION.] The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources, other than as provided in this chapter, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations. The board shall take into consideration the unreserved fund balances of each technical institute.

Sec. 54. Minnesota Statutes 1988, section 136C.04, subdivision 18, is amended to read:

Subd. 18. [COMPUTER SALES AND MAINTENANCE.] The state board of vocational technical education or a school board may sell computers and related products to its technical institute staff and technical institute students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 55. Minnesota Statutes 1988, section 136C.042, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Associate degrees offered by the area ~~vocational~~ technical institutes prior to January 1, 1981, shall not be subject to the provisions of subdivision 1.

Sec. 56. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 5. [USE OF PROPERTY.] A school board must not sell, lease, or assign technical institute property for purposes other than technical institute activities without the approval of the state director. A school board need not obtain approval for uses that are incidental or that involve integrated secondary and post-secondary vocational instruction.

Sec. 57. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING.] The school board shall maintain, in accordance with section 136C.04, subdivision 6, separate revenue, expenditure, asset, and liability accounts for technical institutes within funds separate from all other district funds.

Sec. 58. Minnesota Statutes 1988, section 136C.07, subdivision 4, is amended to read:

Subd. 4. If the petition is approved, the school shall be established by the district and classified by the state board as a technical institute and conducted under the general supervision of the state board in accordance with the policy and rules of the state board. Notwithstanding the provisions of subdivision 3 and of this subdivision, after June 30, 1975, no area vocational A technical school institute shall be established unless only by specific legislation has authorized its establishment law.

Sec. 59. Minnesota Statutes 1988, section 136C.075, is amended to read:

136C.075 [COMPENSATION FOR PERFORMANCE EVALUATIONS BY STATE EMPLOYEES.]

Notwithstanding any law to the contrary, a state employee who is asked by the department of education state board to undertake a performance evaluation of a technical institute may be compensated at the rate provided for in section 15.059.

To be eligible for compensation under this section, a state employee must take an unpaid leave of absence for the period of time the employee performs the evaluation.

Sec. 60. Minnesota Statutes 1988, section 136C.08, subdivision 1, is amended to read:

Subdivision 1. Any A school board or joint school board operating an area vocational a technical school, pursuant to section 136C.07, Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; or Laws 1969, chapter 1060, as amended, institute may make, adopt and enforce rules, regulations or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied or operated by the board.

Sec. 61. Minnesota Statutes 1988, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing a technical institute shall give recognition as an authorized extracurricular activity to a technical institute student association affiliated with the Minnesota vocational technical student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for ~~student~~ recreational, social, welfare, charitable, and educational pursuits supplemental to the regular curricular offerings activities approved by the student association. The money in the fund is not public money.

Sec. 62. Minnesota Statutes 1988, section 136C.31, is amended by adding a subdivision to read:

Subd. 3. [AID AND TUITION.] All technical institute money and tuition shall be used solely for post-secondary vocational technical education.

Sec. 63. Minnesota Statutes 1988, section 136C.36, is amended to read:

136C.36 [PAYMENT OF TECHNICAL INSTITUTE INSTRUCTIONAL AID MONEY.]

Eighty-five percent of the estimated money appropriated for post-secondary vocational instructional aid entitlement instruction for each district technical institute shall be paid during the fiscal year of entitlement for which it is appropriated in 11 uniform monthly payments from July to May. The final payment shall be made on the first business day of July in the following fiscal year.

The amount of entitlement, adjusted for actual data, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district on the first business day of July in the fiscal year following entitlement.

Sec. 64. Minnesota Statutes 1988, section 136C.43, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; APPROPRIATION.] For the purpose of providing money appropriated from the vocational technical building fund for the acquisition of public land, buildings, and capital improvements needed for the state plan for the administration of vocational education in accordance with the provisions of

section 136C.42, when requested by the state board of education, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended therefor, as set forth in section 136C.42. Any such law, together with this section and the laws herein referred to, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Sec. 65. Minnesota Statutes 1988, section 169.44, subdivision 18, is amended to read:

Subd. 18. [MOTOR COACH USED FOR SCHOOL ACTIVITIES.] A school district or a technical institute shall not acquire a motor coach. Motor coaches acquired by school districts or area vocational technical institutes before March 26, 1986 may be used by school districts or ~~area vocational~~ technical institutes only to transport students participating in school activities, their instructors, and supporting personnel, to and from school activities. The motor coaches shall not in any way be outwardly equipped and identified as school buses. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision. After January 1, 1998, a school district or technical institute shall not own or operate a motor coach for any purpose.

Sec. 66. Minnesota Statutes 1988, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL INSTITUTE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision. "Construction" includes acquisition and betterment of land, buildings, and capital improvements for technical institutes.

(b) A district maintaining a technical institute may levy for its local share of the cost of construction of technical institute facilities for the technical institute as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The specific legislative act must require that the state to pay part of the cost of technical institute construction for post-secondary vocational purposes shall be financed by the state and that the district to pay part of the cost of construction for post-secondary

vocational purposes shall be financed by the school district operating the technical institute.

(d) The district may levy an amount equal to the local share of the cost of technical institute construction for post-secondary vocational purposes, minus the amount of any unappropriated unreserved net balance in the district's post-secondary vocational technical institute building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the July August 1 before a district certifies the first levy pursuant to this subdivision for the local share of any construction project, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy, the duration of the proposed levy and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the August September 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity and in dollars in the first year of the proposed levy.

(f) For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.

(g) A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 67. Minnesota Statutes 1988, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, and secondary school and area vocational technical school institute teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions and receive allowable service credit toward annuities

and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 68. Minnesota Statutes 1988, section 354.094, subdivision 1b, is amended to read:

Subd. 1b. [PRE-MAY 16, 1981 LEAVE EXCEPTION.] Notwithstanding subdivision 1, the following provisions apply only to elementary, and secondary, school and ~~area vocational~~ technical school institute teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 69. Minnesota Statutes 1988, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, and secondary school and ~~area vocational~~ technical school institute teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 70. Minnesota Statutes 1988, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d)(6)(C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the political subdivision. Payments for school district or ~~area vocational~~ technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or ~~area vocational~~ technical institute. The state shall make payments for services rendered prior to July 1, 1986.

(b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 71. Laws 1988, chapter 703, article 1, section 23, is amended to read:

Sec. 23. [135A.20] [FACULTY EXCHANGE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange for the 1988-1989 academic year is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional staffs. These arrangements must be made on a voluntary, cooperative basis between the a school district and the post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur between campuses in the same system or in different systems.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. A public school teacher might be used to teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary instructor might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future education plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES, BENEFITS, CERTIFICATION.] Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding Minnesota Statutes, sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed employee of a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to Minnesota Statutes, section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or

provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by the each participating school district and post-secondary institution before implementation.

Subd. 4. [REPORT OF PILOT PROGRAMS.] While these exchanges are voluntary, the legislature intends to maintain oversight to determine the benefits and problems of the program. By February 1, 1989 1991, each post-secondary system shall submit a report about the faculty exchange program to the chairs of the house education, higher education, and appropriations committees and the senate education and finance committees. The report shall contain the number of instructional staff participating in the exchange, areas of instruction, costs associated with the exchange, use of appropriations, and other relevant issues related to the exchange.

Sec. 72. [EXCHANGES BETWEEN EDUCATION FACULTY.]

The state university board and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 71, subdivision 3.

The programs must be used to assist in improving teacher education by involving current teachers in education courses and placing post-secondary faculty in elementary and secondary classrooms. Programs must include exchanges that extend beyond the immediate service area of the institution to address the needs of different types of schools, students, and teachers.

Sec. 73. [EMERGENCY RULES.]

The higher education coordinating board may adopt emergency rules, as provided under Minnesota Statutes, sections 14.29 to 14.36, for awarding child care grants for the 1989-1990 academic year. The board shall consult with its financial aid advisory committee and the higher education advisory council before adopting the rules.

Sec. 74. [REPORT TO THE LEGISLATURE.]

The higher education coordinating board shall report on the child care program to the education divisions of the house appropriations and senate finance committees by February 15 of each year of the biennium.

Sec. 75. [REPEALER.]

Subdivision 1. [JUNE 30, 1989.] Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.111; 136A.121, subdivision 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52;

136A.53; 136A.55; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; 136C.43, subdivisions 1, 2, and 3; 256H.07; and 256H.13 are repealed on June 30, 1989.

Subd. 2. [JUNE 30, 1990.] Minnesota Statutes 1988, sections 136A.09; 136A.101, subdivision 6; 136A.121, subdivisions 1 and 4; and 136A.225 are repealed on June 30, 1990.

Sec. 76. [EFFECTIVE DATE.]

Section 5, subdivision 4, is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 126.56, subdivision 5; 135A.05; 135A.06, subdivision 3; 136.31, subdivisions 3 and 5; 136A.02; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivisions 1, 7, and by adding a subdivision; 136A.16; 136A.162; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.233; 136A.26, subdivision 1a; 136A.29, subdivision 9; 136A.69; 136C.04, subdivisions 2, 6, 9, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; Laws 1988, chapter 703, article 1, section 23; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.225; 136A.51; 136A.52; 136A.53; 136A.55; 136C.07, subdivisions 1, 2, 3 and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; 136C.43, subdivisions 1, 2, and 3; 256H.07; and 256H.13."

The motion prevailed and the amendment was adopted.

Rice and Carlson, L., moved to amend S. F. No. 1625, as amended, as follows:

Page 15, after line 8, insert:

"The legislature intends that any future retrenchments or reallocations of state appropriated funds to the medical school be distributed among all departments in proportion to their state appropriations."

The motion prevailed and the amendment was adopted.

Kahn and Abrams moved to amend S. F. No. 1625, as amended, as follows:

Page 18, after line 14, insert:

"The university is requested to report to the chairs of the house appropriations and senate finance committees on the future status of the supercomputer institute. The report must include a mission statement describing the institute's: (1) progress towards becoming an advanced scientific research organization designed to place Minnesota at the forefront of research and education using supercomputers; (2) progress towards becoming a national center for specialized instruction in supercomputing; (3) progress in advancing United States supercomputer technology to meet foreign competition; (4) possibility of designation as a major federal supercomputing node by the National Science Foundation; and (5) possibility of obtaining continued federal funding for the purposes of this section.

The report must further detail: (1) the relationship and funding of the supercomputer center and the supercomputer institute; (2) the proportion of funding divided between private industrial and university research and the effect on the academic research mission of the university; (3) the adherence of the center and the institute to the uni-

versity's policies on classified research; and (4) appropriateness of specific recent and planned acquisitions to meet the goals of the mission statement.

The report must be delivered by January 1, 1990."

A roll call was requested and properly seconded.

The question was taken on the Kahn and Abrams amendment and the roll was called. There were 17 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Abrams	Haukoos	Long	Osthoff	Wagenius
Bennett	Janezich	Milbert	Pauly	
Brown	Kahn	Miller	Scheid	
Dawkins	Kinkel	Olsen, S.	Valento	

Those who voted in the negative were:

Anderson, R.	Girard	Lieder	Onnen	Seaberg
Battaglia	Greenfield	Limmer	Orenstein	Segal
Bauerly	Gruenes	Lynch	Ostrom	Simoneau
Beard	Gutknecht	Macklin	Pellow	Skoglund
Begich	Hartle	Marsh	Pelowski	Stanis
Bertram	Hasskamp	McDonald	Peterson	Steensma
Bishop	Heap	McEachern	Poppenhagen	Sviggun
Blatz	Himle	McGuire	Price	Swenson
Boo	Hugoson	McLaughlin	Pugh	Tjornhom
Burger	Jacobs	McPherson	Quinn	Tompkins
Carlson, L.	Jaros	Morrison	Redalen	Trimble
Carruthers	Jennings	Munger	Reding	Tunheim
Conway	Johnson, R.	Murphy	Rest	Vellenga
Cooper	Johnson, V.	Nelson, C.	Rice	Waltman
Dauner	Kalis	Nelson, K.	Richter	Weaver
Dempsey	Kelly	Neuenschwander	Rodosovich	Welle
Dille	Kelso	O'Connor	Rukavina	Wenzel
Dorn	Knickerbocker	Ogren	Runbeck	Winter
Forsythe	Kostohryz	Olson, E.	Sarna	Wynia
Frederick	Krueger	Olson, K.	Schafer	Spk. Vanasek
Frerichs	Lasley	Omann	Schreiber	

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

S. F. No. 1625, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision

4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 949:

Frederick, Kelly and Carruthers.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 371:

Pappas, Kelly and Macklin.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1107:

Jefferson, Osthoff and Olsen, S.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 527:

Skoglund, Trimble and Lynch.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 300:

Clark, Pappas and Limmer.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 943:

Orenstein, Segal and Swenson.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 59.

H. F. No. 59 was reported to the House.

Kelly and Greenfield moved to amend H. F. No. 59, the second engrossment, as follows:

Page 6, line 26, delete "\$10,000,000" and insert "\$8,721,000"

Page 6, line 34, delete "This amount is" and insert "Of this amount, \$81,000 in 1990 and \$54,000 in 1991 are"

Page 6, after line 38, insert:

"Of this amount, \$1,279,000 is appropriated to the bureau of criminal apprehension to establish and operate a laboratory to perform DNA analysis and to establish a system for collecting and maintaining DNA analysis data and human biological specimens.

Of this amount, \$350,000 in 1990 is for the soft body armor reimbursement program."

The motion prevailed and the amendment was adopted.

Marsh moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 77, after line 6, insert:

"Sec. 60. [DISAPPROVAL OF PROPOSED SENTENCING GUIDELINES MODIFICATION.]

The modifications in the weight assigned for each prior felony conviction in the severity levels I and II of the sentencing guidelines grid for purposes of computing a defendant's criminal history score, adopted by the sentencing guidelines commission on December 15, 1988, shall not take effect.

Renumber the remaining sections and correct the internal cross-references

Amend the title as follows:

Page 1, line 29, after the semicolon insert "disapproving a proposed sentencing guidelines modification,"

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

Pappas offered an amendment to H. F. No. 59, the second engrossment, as amended.

POINT OF ORDER

Knickerbocker raised a point of order pursuant to rule 3.9 that the Pappas amendment was not in order.

The Speaker pursuant to section 245 of "Mason's Manual of Legislative Procedure" submitted the following question to the House: "Is it the judgment of the House that the Knickerbocker point of order is well taken?"

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker point of order, and the roll was called. There were 75 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Olsen, S.	Schreiber
Anderson, G.	Frerichs	Lieder	Olson, E.	Seaberg
Anderson, R.	Girard	Limmer	Olson, K.	Solberg
Battaglia	Gruenes	Lynch	Omann	Sparby
Begich	Gutknecht	Macklin	Onnen	Stanis
Bennett	Hartle	Marsh	Pauly	Steensma
Blatz	Haukoos	McDonald	Pellow	Sviggum
Boo	Heap	McEachern	Poppenhagen	Swenson
Burger	Henry	McPherson	Redalen	Tjornhom
Carlson, D.	Himle	Miller	Reding	Tompkins
Carruthers	Hugoson	Morrison	Richter	Tunheim
Dauner	Jennings	Murphy	Rodosovich	Valento
Dempsey	Johnson, V.	Nelson, C.	Runbeck	Waltman
Dille	Kalis	Neuenschwander	Schafer	Weaver
Forsythe	Knickerbocker	Ogren	Scheid	Wenzel

Those who voted in the negative were:

Bauerly	Greenfield	Kelso	O'Connor	Rest
Bertram	Hasskamp	Kinkel	Orenstein	Rice
Brown	Janezich	Krueger	Ostrom	Rukavina
Carlson, L.	Jaros	Lasley	Otis	Sarna
Clark	Jefferson	Long	Ozment	Segal
Conway	Johnson, A.	McGuire	Pappas	Simoneau
Cooper	Johnson, R.	McLaughlin	Pelowski	Skoglund
Dawkins	Kahn	Munger	Peterson	Trimble
Dorn	Kelly	Nelson, K.	Price	Vellenga

Wagenius

Welle

Williams

Winter

Wynia

So it was the judgment of the House that the Knickerbocker point of order was well taken and the Pappas amendment out of order.

McDonald, Sviggum, Swenson, Waltman, Frerichs and Richter moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 6, delete lines 26 to 31 and insert:

"\$8,721,000 of this amount in the first year is to be transferred by the commissioner of state planning to the commissioner of jobs and training for statewide distribution to community action agencies for the purpose of improving anti-poverty programs, specifically the senior nutrition, housing rehabilitation, and jobs programs."

Pages 77 to 91, delete Article 4

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McDonald et al amendment and the roll was called. There were 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Johnson, V.	Olson, K.	Seaberg
Bennett	Gutknecht	Kelso	Omann	Stanis
Burger	Hartle	Macklin	Onnen	Steensma
Carlson, D.	Hasskamp	Marsh	Ostrom	Sviggum
Conway	Haukoos	McDonald	Ozment	Swenson
Dauner	Henry	McEachern	Pellow	Tjornhom
Dempsey	Himle	McPherson	Poppenhagen	Tompkins
Frederick	Hugoson	Miller	Richter	Valento
Frerichs	Jennings	Nelson, C.	Schafer	Waltman
Girard	Johnson, R.	Neuenschwander	Schreiber	Winter

Those who voted in the negative were:

Abrams	Boo	Forsythe	Kahn	Lieder
Anderson, G.	Brown	Greenfield	Kalis	Limmer
Battaglia	Carlson, L.	Heap	Kelly	Long
Bauerly	Clark	Jacobs	Kinkel	Lynch
Beard	Cooper	Janezich	Knickerbocker	McGuire
Begich	Dawkins	Jaros	Kostohryz	McLaughlin
Bertram	Dille	Jefferson	Krueger	Milbert
Blatz	Dorn	Johnson, A.	Lasley	Morrison

Munger	Otis	Reding	Segal	Wagenius
Murphy	Pappas	Rest	Simoneau	Weaver
Nelson, K.	Pauly	Rice	Skoglund	Welle
O'Connor	Pelowski	Rodosovich	Solberg	Wenzel
Olsen, S.	Peterson	Rukavina	Sparby	Williams
Olson, E.	Price	Runbeck	Trimble	Wynia
Orenstein	Pugh	Sarna	Tunheim	Spk. Vanasek
Osthoff	Quinn	Scheid	Vellenga	

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

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

Heap, Macklin, Lynch, Henry, Weaver and Limmer moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 39, after line 23, insert:

"Sec. 5. Minnesota Statutes 1988, section 243.53, is amended to read:

243.53 [~~SEPARATE~~ CELLS.]

When there are cells sufficient, each convict shall be confined in a separate cell. However, the commissioner may incarcerate two inmates in a single cell whenever necessary to accommodate correctional facility population."

Renumber the remaining sections and correct the internal cross-references

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "authorizing the commissioner of corrections to incarcerate two inmates per cell when necessary to accommodate prison population;"

Page 1, line 37, after the semicolon, insert "243.53;"

A roll call was requested and properly seconded.

Wynia and Brown moved to amend the Heap et al amendment to H. F. No. 59, the second engrossment, as amended, as follows:

Page 1, line 20, delete everything after the period and insert "Except in maximum security cells, the commissioner may incarcerate more than one inmate in a living area."

Page 1, delete lines 21 and 22

Page 1; lines 27 and 28, delete "two inmates per cell when necessary to accommodate prison population" and insert "more than one inmate in a living area except in maximum security cells"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 82 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Lieder	Otis	Solberg
Battaglia	Hartle	Long	Pappas	Sparby
Bauerly	Hasskamp	McEachern	Pelowski	Steensma
Beard	Jacobs	McGuire	Peterson	Swenson
Begich	Janezich	McLaughlin	Price	Trimble
Bertram	Jaros	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Quinn	Vellenga
Carlson, L.	Johnson, A.	Murphy	Reding	Wagenius
Carruthers	Johnson, R.	Nelson, C.	Rest	Welle
Clark	Kahn	Nelson, K.	Rice	Wenzel
Conway	Kalis	Neuenschwander	Rodosovich	Williams
Cooper	Kelly	O'Connor	Rukavina	Winter
Dauner	Kelso	Ogren	Sarna	Wynia
Dawkins	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Dille	Kostohryz	Orenstein	Segal	
Dorn	Krueger	Osthoff	Simoneau	
Forsythe	Lasley	Ostrom	Skoglund	

Those who voted in the negative were:

Abrams	Girard	Limmer	Onnen	Seaberg
Anderson, R.	Gruenes	Lynch	Ozment	Stanius
Bennett	Gutknecht	Macklin	Pauly	Sviggum
Bishop	Haukoos	Marsh	Pellow	Tjornhom
Blatz	Heap	McDonald	Poppenhagen	Valento
Boo	Henry	McPherson	Redalen	Waltman
Burger	Himle	Miller	Richter	Weaver
Carlson, D.	Hugoson	Morrison	Runbeck	
Frederick	Johnson, V.	Olsen, S.	Schafer	
Frerichs	Knickerbocker	Omann	Schreiber	

The motion prevailed and the amendment to the amendment was adopted.

Heap requested that his amendment, as amended, be changed as follows:

Page 1, line 17, delete "living area" and insert "single cell"

Page 1, line 21, delete "living area" and insert "single cell"

POINT OF ORDER

Wynia raised a point of order that the Heap request was not in

order. The Speaker ruled the point of order well taken and the Heap request out of order.

Heap moved to amend the Heap et al amendment, as amended by the Wynia amendment, to H. F. No. 59, the second engrossment, as amended, as follows:

Page 1, line 17, delete "living area" and insert "single cell"

Page 1, line 21, delete "living area" and insert "single cell"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kalis	O'Connor	Schafer
Anderson, G.	Girard	Knickerbocker	Olsen, S.	Seaberg
Anderson, R.	Gruenes	Limmer	Olson, E.	Sparby
Beard	Gutknecht	Lynch	Omann	Stanisus
Begich	Hartle	Macklin	Onnen	Sviggum
Bennett	Haukoos	Marsh	Ozment	Tjornhom
Bertram	Heap	McDonald	Pauly	Valento
Bishop	Henry	McEachern	Pellow	Waltman
Blatz	Himle	McPherson	Poppenhagen	Weaver
Burger	Hugoson	Miller	Richter	
Dille	Johnson, R.	Morrison	Runbeck	
Frederick	Johnson, V.	Neuenschwander	Sarna	

Those who voted in the negative were:

Battaglia	Hasskamp	Long	Peterson	Swenson
Bauerly	Jacobs	McGuire	Price	Tompkins
Boo	Janezich	McLaughlin	Pugh	Trimble
Brown	Jaros	Milbert	Quinn	Tunheim
Carlson, D.	Jefferson	Munger	Reding	Vellenga
Carlson, L.	Jennings	Murphy	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, C.	Rice	Welle
Clark	Kahn	Nelson, K.	Rodosovich	Wenzel
Conway	Kelly	Ogren	Rukavina	Williams
Cooper	Kelso	Olson, K.	Scheid	Winter
Dauner	Kinkel	Orenstein	Segal	Wynia
Dawkins	Kostohryz	Ostrom	Simoneau	Spk. Vanasek
Dorn	Krueger	Otis	Skoglund	
Forsythe	Lasley	Pappas	Solberg	
Greenfield	Lieder	Pelowski	Steensma	

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

Heap requested that his amendment, as amended, be withdrawn.

POINT OF ORDER

Wynia raised a point of order pursuant to section 403 of "Mason's Manual of Legislative Procedure" relating to the withdrawing of amendments. The Speaker ruled the point of order well taken and the Heap request out of order.

The Speaker called Quinn to the Chair.

The question recurred on the Heap et al amendment, as amended, to H. F. No. 59, the second engrossment, as amended.

Olsen, S., offered an amendment to the Heap et al amendment, as amended by the Wynia amendment, to H. F. No. 59, the second engrossment, as amended.

Wynia requested a division of the Olsen, S., amendment to the Heap et al amendment, as amended.

The first portion of the Olsen, S., amendment to the Heap et al amendment, as amended, reads as follows:

Page 1, line 17, before the period insert "at any Minnesota correctional facility"

The motion prevailed and the first portion of the Olsen, S., amendment to the Heap et al amendment, as amended, was adopted.

The second portion of the Olsen, S., amendment to the Heap et al amendment, as amended, reads as follows:

Page 1, line 17, after the period insert "The commissioner may incarcerate more than one inmate in a cell at the Minnesota correctional facilities located at Oak Park Heights, Stillwater and St. Cloud."

A roll call was requested and properly seconded.

The question was taken on the second portion of the Olsen, S., amendment to the Heap et al amendment, as amended, and the roll was called. There were 65 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams
Beard

Bennett
Bertram

Blatz
Burger

Carlson, L.
Cooper

Dille
Dorn

Frederick	Johnson, R.	McPherson	Pauly	Scheid
Frerichs	Johnson, V.	Milbert	Pellow	Seaberg
Girard	Kalis	Miller	Pelowski	Solberg
Gruenes	Kinkel	Morrison	Poppenhagen	Sparby
Gutknecht	Knickerbocker	O'Connor	Pugh	Stanius
Haukoos	Limmer	Ogren	Quinn	Steensma
Heap	Lynch	Olsen, S.	Rest	Sviggum
Henry	Macklin	Omann	Richter	Tjornhom
Himle	Marsh	Onnen	Runbeck	Valento
Hugoson	McDonald	Osthoff	Sarna	Waltman
Janezich	McEachern	Ozment	Schafer	Weaver

Those who voted in the negative were:

Anderson, G.	Dawkins	Kostohryz	Ostrom	Tompkins
Anderson, R.	Forsythe	Krueger	Otis	Trimble
Battaglia	Greenfield	Lasley	Pappas	Tunheim
Bauerly	Hartle	Lieder	Peterson	Vellenga
Begich	Hasskamp	McGuire	Price	Wagenius
Bishop	Jacobs	McLaughlin	Reding	Wenzel
Boo	Jaros	Munger	Rice	Williams
Brown	Jefferson	Murphy	Rodosovich	Winter
Carlson, D.	Jennings	Nelson, C.	Rukavina	Wynia
Carruthers	Johnson, A.	Neuenschwander	Segal	Spk. Vanasek
Clark	Kahn	Olson, E.	Simoneau	
Conway	Kelly	Olson, K.	Skoglund	
Datner	Kelso	Orenstein	Swenson	

The motion prevailed and the second portion of the Olsen, S., amendment to the Heap et al amendment, as amended, was adopted.

Vanasek was excused between the hours of 7:08 p.m. and 8:14 p.m.

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

The question recurred on the Heap et al amendment, as amended, to H. F. No. 59, the second engrossment, as amended, and the roll was called. There were 60 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kelso	O'Connor	Schafer
Anderson, R.	Gruenes	Kinkel	Olsen, S.	Seaberg
Beard	Gutknecht	Knickerbocker	Omann	Sparby
Bennett	Hartle	Limmer	Onnen	Stanius
Bertram	Haukoos	Lynch	Ozment	Steensma
Blatz	Heap	Macklin	Pellow	Sviggum
Burger	Henry	Marsh	Pelowski	Tjornhom
Carlson, L.	Himle	McDonald	Poppenhagen	Tompkins
Cooper	Hugoson	McEachern	Quinn	Valento
Dille	Johnson, R.	McPherson	Rest	Waltman
Frederick	Johnson, V.	Miller	Runbeck	Weaver
Frerichs	Kalis	Morrison	Sarna	Winter

Those who voted in the negative were:

Anderson, G.	Battaglia	Bauerly	Begich	Boo
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Brown	Janezich	McLaughlin	Pappas	Skoglund
Carlson, D.	Jaros	Munger	Pauly	Solberg
Carruthers	Jefferson	Murphy	Peterson	Swenson
Clark	Jennings	Nelson, C.	Price	Trimble
Conway	Johnson, A.	Nelson, K.	Pugh	Tunheim
Dauner	Kahn	Neuenschwander	Reding	Wagenius
Dawkins	Kelly	Olson, E.	Rice	Wenzel
Dorn	Kostohryz	Olson, K.	Rodosovich	Williams
Forsythe	Krueger	Orenstein	Rukavina	Wynia
Greenfield	Lasley	Osthoff	Scheid	
Hasskamp	Lieder	Ostrom	Segal	
Jacobs	McGuire	Otis	Simoneau	

The motion did not prevail and the amendment, as amended, was not adopted.

Blatz, Limmer and Tompkins moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 26, after line 20, insert:

"Sec. 31. Minnesota Statutes 1988, section 253B.02, subdivision 2, is amended to read:

Subd. 2. [CHEMICALLY DEPENDENT PERSON.] "Chemically dependent person" means any person (a) determined as being incapable of self-management or management of personal affairs by reason of the habitual and excessive use of alcohol or drugs; and (b) whose recent conduct as a result of habitual and excessive use of alcohol or drugs poses a substantial likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or threat to physically harm self or others, (ii) evidence of recent serious physical problems, or (iii) a failure to obtain necessary food, clothing, shelter, or medical care. "Chemically dependent person" also means, in the case of a pregnant woman, one who during the time between 24 weeks of gestation and delivery, has used cocaine or has engaged in habitual and excessive use of any other controlled substance for a nonmedical purpose.

For purposes of this subdivision:

(1) "cocaine" means any controlled substance described in section 152.02, subdivision 3, paragraph (1), clause (d); and

(2) "controlled substance" has the definition given in section 152.01, subdivision 4.

Sec. 32. Minnesota Statutes 1988, section 253B.02, subdivision 10, is amended to read:

Subd. 10. [INTERESTED PERSON.] "Interested person" means an adult, including but not limited to, a public official, including a

local social service agency acting pursuant to section 42, and the legal guardian, spouse, parent, legal counsel, adult child, next of kin, or other person designated by a proposed patient."

Page 33, after line 3, insert:

"(k) "Controlled substance" has the definition given in section 152.01, subdivision 4.

Sec. 41. Minnesota Statutes 1988, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years, or who knows or has reason to believe that a pregnant woman has used a controlled substance for a nonmedical purpose, shall immediately report the information to the local welfare agency, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare

agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person mandated to report shall, upon request to the local welfare agency, receive a summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 42. Minnesota Statutes 1988, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE SOCIAL SERVICE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT ON RECEIVING AN ABUSE REPORT; DUTIES OF LOCAL SOCIAL SERVICE AGENCY ON RECEIVING A PRENATAL CONTROLLED SUBSTANCE REPORT.] (a) If the report alleges a pregnant woman's use of a controlled substance for a nonmedical purpose, the local welfare agency shall immediately conduct an appropriate assessment and offer services indicated under the circumstances, including but not limited to, a referral for chemical dependency assessment, chemical dependency treatment if recommended, prenatal care, and any action under chapter 253B that is appropriate under the circumstances. An action under section 253B.05 shall be brought if a pregnant woman after 24 weeks of gestation refuses recommended voluntary services or fails recommended treatment. If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its

investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of

the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglect-

ing a child, and to provide the facility with a copy of the report and the investigative findings."

Renumber the sections accordingly

Page 33, line 4, delete "REQUIRED"

Page 33, lines 17 to 24, delete subdivision 2, and insert:

"Subd. 2. [PRENATAL VISITS; NOTICE; TEST; REPORT.] A physician shall obtain from each patient who seeks prenatal obstetrical care a signed statement indicating whether or not the patient consents to toxicology tests for the purpose of determining whether the patient has ingested a controlled substance for a nonmedical purpose. If the patient consents to such toxicology tests, and the results of a test are positive, the physician shall report the results under section 626.556, subdivision 3, clause (a). A negative test result does not eliminate the obligation to report, if other evidence gives the physician reason to believe that the patient has used a controlled substance for a nonmedical purpose.

Subd. 3. [TEST; REPORT.] Even if a patient has not consented to toxicology tests for use of a controlled substance pursuant to subdivision 2, during the time between 24 weeks of gestation and delivery, a physician shall administer a toxicology test to her to determine whether there is evidence that she has ingested a controlled substance for a nonmedical purpose if she has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose. If the results are positive, the physician shall report the results under section 626.556, subdivision 3, clause (a). A negative test result does not eliminate the obligation to report if other evidence gives the physician reason to believe that the patient has used a controlled substance for a nonmedical purpose.

Page 33, line 25, delete "3" and insert "4"

Page 33, line 30, delete "4" and insert "5"

Page 33, line 35, after "is" insert "authorized or"

Page 34, after line 1, insert:

"Subd. 6. [DEFINITION.] For purposes of this section, "controlled substance" has the meaning given in section 152.01, subdivision 4.

Subd. 7. [RELIABILITY OF TESTS.] A positive test result reported under this section must be obtained from a confirmatory test performed by a drug testing laboratory licensed by the department of health. The confirmatory test must meet the standards estab-

lished under section 181.953, subdivision 1, and the rules adopted under it."

Correct the internal cross-references

Amend the title as follows:

Page 1, line 23, before the semicolon, insert "and reporting of certain controlled substance use by pregnant women"

Page 1, line 25, after the semicolon, insert "providing for civil commitment of pregnant women for certain controlled substance use;"

Page 1, line 38, after the second semicolon, insert "253B.02, subdivisions 2 and 10;"

Page 2, line 8, delete "subdivision 2" and insert "subdivisions 2, 3, and 10"

A roll call was requested and properly seconded.

Williams moved to amend the Blatz et al amendment to H. F. No. 59, the second engrossment, as amended, as follows:

Page 8, line 2, after "result" insert "or absence of consent"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Blatz et al amendment, as amended, and the roll was called. There were 112 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Jacobs	McEachern	Onnen
Anderson, G.	Dauner	Jennings	McGuire	Osthoff
Anderson, R.	Dille	Johnson, R.	McLaughlin	Ostrom
Battaglia	Dorn	Johnson, V.	McPherson	Otis
Bauerly	Forsythe	Kalis	Milbert	Ozment
Beard	Frederick	Kelly	Miller	Pappas
Begich	Frerichs	Kelso	Morrison	Pauly
Bennett	Girard	Knickerbocker	Murphy	Pellow
Bertram	Gruenes	Kostohryz	Nelson, C.	Pelowski
Bishop	Gutknecht	Krueger	Nelson, K.	Peterson
Blatz	Hartle	Lieder	Neuenschwander	Poppenhagen
Boo	Hasskamp	Limmer	O'Connor	Pugh
Burger	Haukoos	Long	Ogren	Quinn
Carlson, D.	Heap	Lynch	Olsen, S.	Reding
Carlson, L.	Henry	Macklin	Olson, E.	Rest
Carruthers	Himle	Marsh	Olson, K.	Richter
Conway	Hugoson	McDonald	Omann	Rodosovich

Rukavina	Segal	Sviggum	Valento	Williams
Runbeck	Skoglund	Swenson	Wagenius	Winter
Sarna	Solberg	Tjornhom	Waltman	Wynia
Schafer	Sparby	Tompkins	Weaver	
Scheid	Stanius	Trimble	Welle	
Seaberg	Steensma	Tunheim	Wenzel	

Those who voted in the negative were:

Brown	Janezich	Kinkel	Rice
Dawkins	Jaros	Lasley	Simoneau
Greenfield	Jefferson	Price	

The motion prevailed and the amendment, as amended, was adopted.

Olsen, S.; Sviggum; Lynch; Runbeck and Swenson moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 3, line 21, delete "\$24,451,000" and insert "\$29,451,000"

Page 5, line 6, delete "8,285,000" and insert "13,285,000"

Page 5, after line 24, insert:

"Of this amount, \$5,000,000 in 1990 is for the establishment of two residential drug treatment pilot projects specifically dealing with addiction to cocaine and its derivatives and which include programming suitable for pregnant women and mothers."

Page 6, line 21, delete "8,821,000" and insert "3,821,000"

Page 6, line 26, delete "8,721,000" and insert "3,721,000"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 37 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Haukoos	Knickerbocker	Ozment	Schreiber
Bennett	Heap	Limmer	Pellow	Seaberg
Carlson, D.	Henry	Lynch	Poppenhagen	Stanius
Frederick	Himle	McPherson	Redalen	Sviggum
Frerichs	Hugoson	Olsen, S.	Richter	Swenson
Girard	Jennings	Omannon	Runbeck	Tjornhom
Gutknecht	Johnson, V.	Onnen	Schafer	Tompkins
				Valento
				Waltman

Those who voted in the negative were:

Abrams	Dille	Krueger	Olson, E.	Sarna
Anderson, G.	Dorn	Lasley	Olson, K.	Scheid
Battaglia	Greenfield	Lieder	Orenstein	Segal
Bauerly	Hartle	Long	Osthoft	Simoneau
Beard	Hasskamp	Macklin	Ostrom	Skoglund
Begich	Jacobs	McGuire	Otis	Solberg
Bishop	Janezich	McLaughlin	Pappas	Sparby
Boo	Jaros	Milbert	Pelowski	Steensma
Brown	Jefferson	Miller	Peterson	Tunheim
Burger	Johnson, A.	Morrison	Price	Wagenius
Carlson, L.	Johnson, R.	Munger	Pugh	Weaver
Carruthers	Kahn	Murphy	Quinn	Welle
Clark	Kalis	Nelson, C.	Reding	Wenzel
Conway	Kelly	Nelson, K.	Rest	Winter
Cooper	Kelso	Neuenschwander	Rice	Wynia
Dauner	Kinkel	O'Connor	Rodosovich	Spk. Vanasek
Dawkins	Kostohryz	Ogren	Rukavina	

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

Tjornhom moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 53, after line 10, insert:

"Sec. 22. [609.152] [INCREASED SENTENCES FOR CERTAIN DANGEROUS AND CAREER OFFENDERS.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Prior conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, that occurred before the offense for which the person is being sentenced under this section. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; and any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, the judge may impose an aggravated durational departure from the presump-

tive sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and the judge finds that the circumstances in clauses (1) and (2) exist:

(1) the offender has either (i) two or more prior convictions for violent crimes, or (ii) one prior conviction for a violent crime and three or more prior convictions for felonies that are not violent crimes; and

(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, long involvement in criminal activity including juvenile adjudications, or commission of an offense resulting in a prior conviction that involved an aggravating factor that would justify a departure under the sentencing guidelines; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a departure under the sentencing guidelines.

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the circumstances in either clause (1) or (2) exist:

(1) the offender was convicted of a felony that was committed as part of a pattern of criminal conduct from which a substantial portion of the offender's income was derived, and the offender has three or more prior felony convictions; or

(2) the offender has more than six prior felony convictions."

Renumber the remaining sections and correct the internal cross-references

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "permitting courts to sentence certain dangerous offenders and career criminals to longer periods of incarceration;"

A roll call was requested and properly seconded.

The question was taken on the Tjornhom amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Osthoff	Stanisus
Anderson, R.	Frerichs	Limmer	Otis	Steensma
Bauerly	Girard	Lynch	Ozment	Sviggum
Bennett	Gruenes	Macklin	Pauly	Swenson
Bertram	Gutknecht	Marsh	Pellow	Tjornhom
Boo	Hartle	McDonald	Poppenhagen	Tompkins
Burger	Haukoos	McPherson	Redalen	Valento
Carlson, D.	Heap	Miller	Richter	Waltman
Carlson, L.	Henry	Morrison	Runbeck	Weaver
Carruthers	Himle	Olsen, S.	Schafer	Winter
Dauner	Hugoson	Omann	Schreiber	
Forsythe	Johnson, V.	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lasley	Olson, K.	Segal
Battaglia	Janezich	Lieder	Orenstein	Simoneau
Beard	Jaros	Long	Ostrom	Skoglund
Begich	Jefferson	McEachern	Pappas	Solberg
Bishop	Jennings	McGuire	Peterson	Sparby
Brown	Johnson, A.	McLaughlin	Pugh	Trimble
Clark	Johnson, R.	Milbert	Quinn	Tunheim
Conway	Kahn	Munger	Reding	Wagenius
Cooper	Kalis	Murphy	Rest	Welle
Dawkins	Kelly	Nelson, C.	Rice	Wenzel
Dille	Kelso	Nelson, K.	Rodosovich	Williams
Dorn	Kinkel	Neuenschwander	Rukavina	Wynia
Greenfield	Kostohryz	O'Connor	Sarna	Spk. Vanasek
Hasskamp	Krueger	Olson, E.	Scheid	

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

Frerichs; Olsen, S.; Morrison; Runbeck; Heap; Himle; Tompkins; Hugoson; Lynch; Sviggum; McDonald; Haukoos; Tjornhom; Limmer; Richter; Gutknecht; Omann; Girard; Waltman; Henry; Frederick; Pellow; McPherson and Seaberg moved to amend H. F. No. 59, the second engrossment, as amended, as follows:

Page 78, lines 11 and 12, delete "a city of the first class as defined in section 410.01" and insert "any statutory or home rule charter city"

Page 79, line 27, delete "having a student enrollment of 10,500 or more"

Page 79, line 29, before "Targeted" insert "For cities of the first class as defined in section 410.01,"

Page 79, line 34, after the period insert "For a city other than a city of the first class, targeted neighborhood means a contiguous

area within the boundaries of the city that a city council determines by resolution meets the criteria of section 2, subdivision 2."

Page 91, line 19, before the period insert "that have submitted certified programs to the state planning agency"

Amend the title accordingly

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

H. F. No. 59, A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F.80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377;

609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, G.	Jaros	Kahn	Rice
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The bill was passed, as amended, and its title agreed to.

CONSENT CALENDAR

Wynia moved that the bills on the Consent Calendar for today be continued. The motion prevailed.

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued. The motion prevailed.

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

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 372, A bill for an act relating to the office of the secretary of state; providing for the preservation of land surveys; establishing time for the permanent microfilming of the surveys; appropriating money; amending Minnesota Statutes 1988, section 5.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE DEPARTMENTS

Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1989," "1990," and "1991," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$433,052,700	\$467,369,400	\$ 901,132,100
Special Revenue	9,298,000	9,605,000	18,903,000
Game and Fish	43,495,000	45,620,000	89,115,000
Trunk Highway	13,014,000	25,115,500	38,129,500
Highway User	2,557,000	2,879,000	5,436,000
Workers' Comp.	13,601,000	14,045,000	27,646,000
Environmental Response	3,053,000	3,053,000	6,106,000
Metro Landfill Abatement	1,741,000	1,741,000	3,482,000
Metro Landfill Contingency	711,000	711,000	1,422,000
Minnesota Resources	9,975,000	8,615,000	18,590,000
Motor Vehicle Transfer	1,708,000	2,180,000	3,888,000
Petroleum Cleanup	1,345,000	1,352,000	2,697,000
TOTAL	\$560,925,000	\$610,862,900	\$1,171,787,000

APPROPRIATIONS
Available for the Year
Ending June 30

1990 1991

Sec. 2. LEGISLATURE

Subdivision 1. Total for this section \$45,538,400 \$45,253,700

Summary by Fund

General	\$45,209,400	\$44,923,200	
Trunk Highway	\$ 29,000	\$ 30,500	
Subd. 2. Senate		14,531,400	14,531,400
Subd. 3. House of Representatives		20,011,400	20,011,400
Subd. 4. Legislative Coordinating Commission		10,695,000	10,410,000

	1988	1989
	\$	\$
Summary by Fund		
General		
	\$10,666,600	\$10,380,400
Trunk Highway		
	\$ 29,000	\$ 30,500

The amounts that may be spent from this appropriation for each activity are as follows:

The governor, speaker of the house, and the senate majority leader shall each appoint one additional person to the environmental trust fund citizen's advisory committee for a term that expires on January 1, 1991. The purpose of adding three new members to the advisory committee is to address the gender imbalance of the existing committee.

\$500,000 of the house of representatives appropriation is for a management information systems director, development of a long-range strategic information management plan for the house of representatives and enhancement of the budget coordination activity. \$200,000 of this appropriation is to be used for the purchase of computer hardware and software and is not available for expenditure until the successful completion of the strategic information systems plan.

The senate may request funds from the legislative coordinating commission for development of a plan to provide an underground parking facility for senate members.

(a) Legislative Reference Library

1990	1991
\$1,032,900	\$1,052,900

\$250,000 of this appropriation is for a joint public and private pilot project to provide optical disk storage for the li-

	1988	1989
	\$	\$
brary. \$250,000 shall also be transferred from the department of administration's information services revolving fund for this project.		

(b) Revisor of Statutes		
	\$3,352,900	\$3,551,100

Before January 1, 1990, the revisor shall repair the computer facility in the state office building room B19 so the facility can be maintained at its current location until January 1, 1991.

The revisor shall study alternatives for replacing the computer facility and report by January 1, 1990, to the house appropriations committee, the senate finance committee, and the legislative coordinating commission. The report shall include the operational advantages and disadvantages of the various alternatives and a recommendation for a corrective solution.

(c) Legislative Commission on the Economic Status of Women		
	\$147,300	\$151,600

(d) Legislative Commission on Employee Relations		
	\$ 94,500	\$ 95,500

(e) Great Lakes Commission		
	\$ 40,500	\$ 40,500

(f) Legislative Commission on Pensions and Retirement		
	\$583,000	\$607,100

(g) Legislative Commission on Planning and Fiscal Policy		
	\$100,000	\$100,000

(h) Legislative Commission to Review Administrative Rules		
	\$121,500	\$124,000

(i) Legislative Commission on Waste Management		
	\$145,200	\$149,300

(j) Mississippi River Parkway Commission		
	\$ 29,000	\$ 30,500

	1988	1989
	\$	\$

This appropriation is from the trunk highway fund.

(k) Subcommittee on Redistricting
\$700,000

(l) Legislative Coordinating Commission - General Support
\$205,900 \$211,100

Contingent Account
\$571,900 \$573,300

\$250,000 in the first year and \$250,000 the second year are appropriated to fund joint house and senate subcommittee or task force projects. Projects funded from this appropriation must involve both the house and senate, be temporary in nature, and focus on key policy issues facing the legislature. The legislative coordinating commission shall develop a project selection process for this appropriation. \$50,000 of this appropriation is to the legislative commission for the economic status of women to develop recommendations to the legislature for a coordinated child care system in Minnesota. The report shall be submitted to the legislature by January 1, 1991. \$25,000 of this appropriation is for a grant to the Silver Haired Legislature.

\$174,700 the first year and \$174,700 the second year are reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies to be spent by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$78,200 the first year and \$82,900 the second year are for the state contribution to the National Conference of State Legislatures.

	1988	1989
	\$	\$
\$69,000 the first year and \$73,100 the second year are for the state contribution to the Council of State Governments.		

Subd. 5. Legislative Audit Commission	3,321,000	3,474,000
---------------------------------------	-----------	-----------

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Legislative Audit Commission		
	\$ 15,000	\$ 15,000
(b) Legislative Auditor		
	\$3,306,000	\$3,459,000

Sec. 3. SUPREME COURT

Subdivision 1. Total Appropriation	16,549,000	12,028,000
------------------------------------	------------	------------

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

During the biennium, the supreme court is requested to consider the appropriateness of an increase in the appellate filing fee and amend the Rules of Civil Appellate Procedure accordingly.

Nothing in this act shall be construed to build into the base level for the 1992-1993 biennium any court costs which have not been appropriated for in this act. It is the intent of the legislature to continue the state takeover of trial court costs.

Subd. 2. Supreme Court Operations

\$3,544,000	\$2,822,000
-------------	-------------

\$2,100 the first year and \$2,200 the second year are for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

	1988	1989
	\$	\$

Included in this appropriation is funding for the move to the new judicial building.

Included in this appropriation is the cost of moving and installing in the judicial building the marble fountain which was previously located in the former Mechanic Arts high school building.

Subd. 3. Legal Services

\$2,198,000	\$2,198,000
-------------	-------------

This appropriation is for legal services to low-income clients and for family farm legal assistance. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. State Court Administrator

\$9,918,000	\$5,902,000
-------------	-------------

Included in this appropriation is the funding for the continued expansion of the trial court information system in the third, sixth, and ninth judicial districts.

\$100,000 and one position are for a study of the state takeover of all county costs associated with the state trial court system. This position expires on June 30, 1991.

\$32,000 the first year is a one-time appropriation for a computer integrated courtroom project in the second judicial district.

\$204,000 is a one-time appropriation for the court to install and operate video taping equipment in at least three district courts and the court of appeals.

	1988	1989
	\$	\$
\$400,000 the first year and \$500,000 the second year are for the county costs of the trial court information system.		
\$3,800,000 the first year is for the costs of the state takeover of the trial court and county court costs in the eighth judicial district and is available for either year of the biennium.		
\$380,000 the first year is for transfer to the department of finance for the purposes of a contingent account for the eighth district project to be allocated through the regular legislative advisory commission process.		
Subd. 5. State Law Library		
\$879,000	\$1,106,000	
Sec. 4. COURT OF APPEALS	4,091,000	3,971,000
Sec. 5. TRIAL COURTS	20,692,000	21,442,000
Sec. 6. BOARD ON JUDICIAL STANDARDS	166,000	166,000
Approved Complement - 2		
Sec. 7. BOARD OF PUBLIC DEFENSE	2,328,000	14,386,000

Approved Complement - 31

During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

\$50,000 is a one-time appropriation for the costs of the weighted case load

	\$ 1988	\$ 1989
study of the public defender system and public defense services.		

\$12,098,000 the second year is for the costs of felony and gross misdemeanor public defense services statewide.

Takeover of the costs of public defense services for felony and gross misdemeanors shall be considered a part of the base level funding for the 1992-1993 biennium. Nothing in this act shall be construed to build into the base level for the 1992-1993 biennium any additional costs of the public defense system which have not been appropriated in this act.

Sec. 8. GOVERNOR AND LIEUTENANT GOVERNOR

2,606,000	2,506,000
-----------	-----------

This appropriation is to fund the offices of the governor and lieutenant governor.

\$20,000 the first year and \$20,000 the second year are for personal expenses connected with the office of the governor.

\$89,000 the first year and \$95,000 the second year are for membership dues of the National Governors Association.

\$2,000 the first year is a one-time appropriation to the governor's residence council for repairs and replacements in the governor's residence.

\$100,000 the first year is for a grant to the board of regents of the University of Minnesota. It is for the establishment and operation of a midwest native plant center at the University Landscape Arboretum in conjunction with the National Wildflower Research Center to facilitate information exchange and research of native wildflowers and plants.

	1988	1989
	\$	\$

The office of jobs policy is abolished.

Sec. 9. SECRETARY OF STATE

Subdivision 1. Total Appropriation	2,946,000	3,059,000
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Approved Complement - 59.5

General - 52.5

Special Revenue - 7

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

Subd. 2. Elections and Publications

\$332,000	\$573,000
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Subd. 3. Uniform Commercial Code

\$166,000	\$166,000
-----------	-----------

Subd. 4. Business Services

\$647,000	\$647,000
-----------	-----------

Subd. 5. Administration

\$523,000	\$399,000
-----------	-----------

The appropriation includes one-time funding for the secretary of state to prepare, catalogue, and preserve, by no later than June 30, 1991, official government survey documents.

The Minnesota Historical Society shall preserve the original survey documents.

Subd. 6. Fiscal Operations

\$140,000	\$140,000
-----------	-----------

Subd. 7. Data Services

\$214,000	\$214,000
-----------	-----------

	1988	1989
	\$	\$
Subd. 8. Network Operations Voter Registration		
\$779,000	\$697,000	
Subd. 9. Reports Renewals Registration		
\$145,000	\$223,000	
Sec. 10. STATE AUDITOR	543,000	543,000
Approved Complement - 115		
General - 9.5		
Revolving - 105.5		

\$77,000 the first year and \$77,000 the second year are for an account the auditor may bill for costs associated with conducting single audits of federal funds. During the biennium, this account may be used only when no other billing mechanism is feasible.

\$218,000 the first year and \$218,000 the second year must be subtracted from the amount that would otherwise be payable as local government aid under Minnesota Statutes, chapter 477A, in order to reimburse the revolving fund for the services of the government information division and the parts of the constitutional office that are related to the government information function.

\$80,000 the first year and \$80,000 the second year must be subtracted from the total police and fire state aid otherwise payable to police and firefighters' relief associations under Minnesota Statutes, sections 69.011 to 69.051, and deposited in the revolving fund for the costs and expenses incurred by the state auditor in making a review of the audits and examinations of relief associations. The amount subtracted shall

	1988	1989
\$		\$

be divided proportionally according to the estimated costs of the audits or examinations of the police and fire-fighters' relief associations as determined by the state auditor.

\$23,000 the first year and \$23,000 the second year for the costs and expenses of the central office staff attached to the constitutional office function shall be paid for from the audit practice revolving fund.

Notwithstanding any other law to the contrary, the state auditor shall continue to audit the Minnesota state high school league and review any private audits done for the league.

Sec. 11. STATE TREASURER	512,000	487,000
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Approved Complement - 10

\$25,000 the first year is a one-time appropriation for a study of the information system needs of the state treasurer's office.

Sec. 12. ATTORNEY GENERAL

Subdivision 1. Total Appropriation	18,736,000	18,233,000
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Approved Complement - 342.7

General - 311.8

Federal - 12.9

Special Revenue - 18

Summary by Fund

General	\$17,840,000	\$17,337,000
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Special Revenue	\$ 896,000	\$ 896,000
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The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

	1988	1989
	\$	\$
Subd. 2. Government Services		
\$3,428,000	\$3,430,000	
Subd. 3. Public Resources		
\$2,254,000	\$2,254,000	
Subd. 4. Human Resources		
\$2,699,000	\$2,699,000	
Summary by Fund		
1990	1991	
General		
\$1,803,000	\$1,803,000	
Special Revenue		
\$ 896,000	896,000	
Subd. 5. Law Enforcement		
\$2,832,000	\$2,827,000	
Subd. 6. Business Regulation		
\$2,799,000	\$2,799,000	
Subd. 7. Legal Policy and Adminis- tration		
\$4,724,000	\$4,224,000	

\$50,000 the first year and \$50,000 the second year are for a special account for unanticipated legal expenses. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$500,000 the first year is for moving costs and increased rents.

The increased amount for litigation support is a one-time appropriation except for salaries and associated costs of the positions approved.

Sec. 13. INVESTMENT BOARD

1,727,000

1,727,000

Approved Complement - 25

	1988	1989
\$		\$

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 14. ADMINISTRATIVE HEARINGS

2,999,000	2,999,000
-----------	-----------

Approved Complement - 77.5

Revolving - 25.5

Workers' Compensation - 52

This appropriation is from the workers' compensation special compensation fund for considering workers' compensation claims.

The approved complement of the office shall be reduced by four workers' compensation judges and two support staff when the commissioner of finance determines that the office can reasonably hold a hearing within six months of the date when a claim petition is filed with the department of labor and industry.

Sec. 15. ADMINISTRATION

Subdivision 1. Total Appropriation	24,402,000	22,925,000
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1990	1991
------	------

Approved Complement -	
818.1	818.1

General -	
198.6	198.6

Special Revenue -	
34.0	34.0

Gift -	
1	1

Revolving -	
584.5	584.5

	\$	1988	\$	1989
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Summary by Fund

General

	\$17,736,000	\$17,256,000
--	--------------	--------------

Special Revenue

	\$ 6,666,000	\$ 5,669,000
--	--------------	--------------

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

Subd. 2. Operations Management

	\$3,827,000	\$3,828,000
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\$792,000 in contributed capital is transferred from the department's plant management fund to the printing services fund.

The department shall study and submit a report to the legislature by January 1, 1990, on the feasibility of adding aircraft to the central motor pool fleet. This study shall include an analysis of similar programs in other states, cost effectiveness of adding aircraft to the fleet, the cost effectiveness of consolidating agency aircraft fleets, and specific recommendations for future actions. This study shall also include an analysis of the University of Minnesota's aircraft fleet.

Subd. 3. Information Management

	\$5,792,000	\$5,720,000
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Summary by Fund

General

	\$1,634,000	\$1,562,000
--	-------------	-------------

Special Revenue

	\$4,158,000	\$4,158,000
--	-------------	-------------

The appropriation from the special revenue fund is for recurring costs of 911 emergency telephone service.

\$201,100 the first year and \$205,800 the second year must be subtracted

1988

1989

\$

\$

from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A, in order to fund the local government records program and the intergovernmental information systems activity.

\$1,000,000 in contributed capital is transferred from the computer services fund to the telecommunications fund.

The commissioner shall study the feasibility of contracting for disaster recovery services from nonstate sources.

Subd. 4. Property Management

\$6,980,000

\$6,983,000

Summary by Fund

General

\$5,472,000

\$5,472,000

Special Revenue

\$1,508,000

\$1,511,000

\$175,000 the first year and \$175,000 the second year from the program's total appropriation are for capitol area repairs and replacements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$3,387,900 the first year and \$3,581,500 the second year are for office space costs of the legislature and veterans' organizations, for ceremonial space, and for statutorily free space.

The commissioner is directed to collocate the following councils:

Council on Asian-Pacific Minnesotans

Council on Black Minnesotans

Indian Affairs Council

	1988	1989
\$		\$

Council on Affairs of Spanish-Speaking People

This colocation is to be accomplished after existing leases have expired. Preference should be given to providing a location in the capitol mall area.

After colocation of the above councils is accomplished, the commissioner shall have the management analysis division conduct a study to determine the level of administrative services appropriate for these councils at their new location. The commissioner shall ensure that appropriate administrative services are provided by submitting the necessary budget change level request for services as part of the governor's 1992-1993 biennial budget request.

The commissioner shall notify the chairs of the house appropriations and senate finance committees of pending agency moves prior to the signing of any new lease or purchase agreements for agencies involved in relocation. This notification shall include a rationale for the move, costs associated with the move, increased rental costs, and changes in the amount of space for the relocated agency.

The commissioner shall make provisions in the master plan of agency relocations for the relocation of the legislative auditor's office within the capitol complex according to the relocation requirements indicated by the legislative auditor.

The parking spaces on Aurora Street between Cedar Street and Constitution Avenue shall be reserved for metered public parking.

\$89,000 the first year and \$89,000 the second year are appropriated from the

1988

1989

\$

\$

money received as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations for use in an expansion of the state of Minnesota's energy conservation activity. This appropriation is not available until a work plan has been reviewed by the legislative commission on Minnesota resources. Any unencumbered balance at the end of the first year does not cancel and is made available for the second year.

Subd. 5. Administrative Management

\$5,071,000

\$4,807,000

\$13,000 the first year and \$2,000 the second year are for the state band. Any unencumbered balance at the end of the first year does not cancel and is made available for the second year. The base level funding for the 1992-1993 biennium for this activity shall not exceed \$2,000.

The management analysis activity shall periodically provide the legislature with a list indicating the studies being conducted by the activity and any future studies scheduled at the time that the list is submitted.

\$274,000 is available the first year of the biennium as a grant to the Thief River Falls Area Technical Institute for radio and television equipment used in the mass communications curriculum. \$139,000 of this amount is to be used for radio equipment and \$135,000 is to be used for television equipment. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$26,000 is available the first year for a grant to Twin Cities Regional Cable Channel, Inc. for programming. This appropri-

	1988	1989
ation is to be matched dollar-for-dollar from contributions from nonstate sources. All legislative programming done under this grant must be accessible to local cable stations at a charge not to exceed the cost of the video tape used for distribution.	\$	\$

\$229,300 the first year and \$229,300 the second year are for block grants to public television stations.

\$704,100 the first year and \$704,100 the second year are for matching grants to public television stations. \$300,000 of the biennial appropriation is a one-time grant and shall not be included in the 1992-1993 budget base.

\$1,135,600 the first year and \$1,135,600 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

\$261,100 the first year and \$261,100 the second year are for operational grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 139.19. \$150,000 of the biennial appropriation is a one-time grant and shall not be included in the 1992-1993 budget base.

\$215,900 the first year and \$215,900 the second year are for public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations for equipment needs.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

1988

1989

\$

\$

\$150,000 the first year and \$150,000 the second year are for equipment grants to affiliate stations of Minnesota Public Radio, Incorporated. Equipment grant allocations must be made after consideration of the recommendations of Minnesota Public Radio, Incorporated.

Subd. 6. Information Policy Office

\$1,732,000

\$1,587,000

\$150,000 in the first year is for distributive computing model grants to be divided equally among the Motley-Staples school district, Ortonville Independent School District No. 62, and the Minneapolis public school district. The grants are to establish experimental computer centers to demonstrate the effectiveness of a distributive computing model for a wide range of computer applications in the field of education, including financial management. For purposes of this section, the reporting requirements of Minnesota Statutes, section 121.936, subdivision 1, and the data standards of Minnesota Statutes, section 121.932, subdivision 5, must be maintained, but all other requirements, except financial obligations, shall be waived. The information policy office shall evaluate the models and report to the legislature in January, 1991.

The commissioner may not enter into any contract implementing the STARS network without the recommendation of both the chair of the house appropriations committee and the chair of the senate finance committee. The commissioner shall report to the chairs of the senate finance committee and the house appropriations committee on the status of the contract award process of the STARS network not later than February 15, 1990.

	1988	1989
	\$	\$

Notwithstanding any law to the contrary, higher education institutions must not purchase interconnective computer technology without securing approval of the information policy office prior to the acquisition.

Notwithstanding any law to the contrary, no statutory changes affecting reporting and data collection requirements for local units of government may be enforced until the state agency most responsible for administration of the change has filed a computer impact statement with the information policy office. This statement must indicate the proposed data processing costs associated with the pending change.

Subd. 7. Interagency Projects Special Revenue

\$1,000,000

This appropriation is from the funds received as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations and is to be used for the planning and initial start-up costs associated with establishing a statewide telecommunications access and routing system (STARS). The commissioner shall receive a loan from the Greater Minnesota Corporation in the amount of \$700,000 on August 1, 1989, to be used for planning and operational funds for this system while the application for use of the oil overcharge funds is being processed by the federal court and the federal Department of Energy. Upon receipt of approval to use oil overcharge funds for this project, the loan shall be repaid to the Greater Minnesota Corporation. Should the federal government deny the application, the requirement to repay the loan to the Greater Minnesota Corporation must be removed and the commissioner shall receive an

	1988	1989
	\$	\$
<p>additional \$300,000 in the form of grant money from the Greater Minnesota Corporation to fund this project. Following the initial planning and development stages of this project the amount appropriated shall be reimbursed by agencies and educational institutions using the system and be used as contributed capital for the statewide telecommunications access routing system revolving account.</p>		

Notwithstanding any law to the contrary, any direct appropriation made to educational institutions for usage costs associated with the STARS network must only be used by the educational institutions for payment of usage costs of the network as billed by the commissioner of administration. The post-secondary appropriations may be shifted between systems as required by unanticipated usage patterns. Such intersystem transfers are to be requested by the appropriate system and may be made only after review and approval by the commissioner of finance, in consultation with the commissioner of administration.

Sec. 16. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

229,000

229,000

1990

1991

Approved Complement -

5

5

Any unencumbered balance of the appropriation for the first year does not cancel and is available for use in the second year.

Sec. 17. FINANCE Appropriation

8,746,000

8,742,000

Approved Complement -

129

General -

129

129

1988

1989

\$

\$

The amounts that may be spent from this appropriation for each activity are specified below.

\$235,000 the first year and \$235,000 the second year are for enhancements and technical support for the biennial budget system. This appropriation shall only be expended upon receipt of the recommendations of the chair of the house appropriations committee and the chair of the senate finance committee. These recommendations are advisory only. If the appropriation for either year is insufficient the appropriation for the other year is available for use.

Beginning with the biennial budget submitted for the 1992-1993 biennium all change level requests involving data processing equipment or staff shall include a summary of the recommendations made on the request by the information policy office in the department of administration.

As a continuation of the fund consolidation effort begun this biennium, the commissioner shall study the remaining special revenue funds in state government and make recommendations to the legislature by January 1, 1990, for any additional consolidations that should be accomplished. Special emphasis in this study shall be placed on those funds for which agencies are currently given open appropriation authority such as enterprise funds.

Any increase in complement with the exception of federal positions, approved by the commissioner of finance as temporary positions, shall be reflected in the governor's budget recommendations to the legislature as change request items. These positions are not permanent positions until the legisla-

	1988	1989
\$		\$

ture has approved the change request items.

Sec. 18. EMPLOYEE RELATIONS

Subdivision 1. Total Appropriation	10,566,000	9,945,000
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1990	1991
------	------

Approved Complement -	
174.5	171.5

General -	
115	114

Special Revenue -	
46	44

Trust -	
13.5	13.5

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

Subd. 2. Administration

\$2,371,000	\$2,129,000
-------------	-------------

\$55,000 the first year and \$55,000 the second year must be subtracted from the amount that would otherwise be payable as local government aid under Minnesota Statutes, chapter 477A, to offset the cost of the local government pay equity function of the department.

Subd. 3. Benefits

\$199,000	\$199,000
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Subd. 4. Labor Relations

\$484,000	\$484,000
-----------	-----------

Notwithstanding any other law to the contrary, negotiations between the state and its bargaining units shall conclude by January 1, 1991, or in time for the governor to include funding of the full salary supplement amount in the governor's budget recommenda-

1988

1989

\$

\$

tions to the legislature. If all labor agreements are not reached in time for a salary supplement appropriation to be included in the governor's recommendations, the legislature shall not consider a salary supplement appropriation until the following legislative session.

Subd. 5. Personnel

\$7,512,000

\$7,133,000

Of the increased amount appropriated for staffing information systems in fiscal year 1991, all but \$578,000 is a one-time appropriation.

\$120,000 the first year and \$120,000 the second year is for career development grants. Any recipient of a grant must as part of the grant agreement agree in writing to repay the state if the recipient voluntarily leaves state service within one year of completing the career development training.

During the biennium, the commissioner shall study the costs, benefits, and alternatives of the state's participation in the Workers' Compensation Reinsurance Association. The commissioner shall report the findings of the study to the legislature by January 15, 1991.

\$121,000 the first year and \$132,000 the second year are for a pilot project to begin an education and training program to retrain current state employees to meet changing staffing needs caused by expanded use of data processing equipment in the workplace. This program will focus on identifying educational opportunities for providing improved technical skills necessary for current employees to make a satisfactory transition into a data processing based work environment and to allow

	1988	1989
\$		\$

managers the flexibility to reassign employees to reflect changing staffing needs. The commissioner shall coordinate the development of this program with the information policy office. The commissioner shall ensure that employees are given the maximum opportunity possible to change civil service classifications, employment conditions, positions, and appointing authorities after satisfactory completion of the retraining program. Agency heads shall also be granted the authority to require individual employees to participate in this retraining program as a condition of continued employment. None of the appropriation is available until the information policy office has approved the retraining program. During the biennium, the information policy office shall continue to monitor and make recommendations to the commissioner of employee relations regarding this training.

Until June 30, 1991, the commissioner of employee relations may use FICA savings generated from the dependent care expense account program to pay for the administrative costs of the program.

\$324,000 the first year and \$324,000 the second year are for payment of peace officer survivor benefits under Minnesota Statutes, section 176B.04. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 19. REVENUE

Subdivision 1. Total Appropriation	67,129,000	67,684,000
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		\$ 1988	\$ 1989
	1990		
Approved Complement -	1220.2	1172.2	
General -	1182.2	1134.2	
Highway User -	38	38	

Summary by Fund

General

\$65,452,000	\$66,002,000
--------------	--------------

Highway User

\$ 1,595,000	\$ 1,600,000
--------------	--------------

Metro Landfill Abatement

\$ 41,000	\$ 41,000
-----------	-----------

Metro Landfill Contingency

\$ 41,000	\$ 41,000
-----------	-----------

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

Subd. 2. Revenue Administration

\$20,081,000	\$20,269,000
--------------	--------------

Of the amount appropriated for the taxpayer accounts information system, a maximum of \$2,400,000 is for ongoing expenses.

The amount appropriated for the sales tax processing module is available for either year of the biennium and is a one-time expenditure.

The commissioner shall report quarterly on the progress made and the money spent on the sales tax module and the taxpayer accounts system. The report shall be made to the chairs of the house appropriations and senate finance subcommittees, the house appropriations subcommittee on information and data processing, and the comparable subcommittee in the senate.

1988

1989

\$

\$

Of the 55 positions removed from the base for fiscal year 1991, not more than eight may be reduced from the taxpayer services program.

Subd. 3. Tax Policy

\$ 3,088,000 \$ 3,051,000

Subd. 4. Taxpayer Service

\$11,180,000 \$11,355,000

Summary by Fund

General

\$9,503,000 \$9,673,000

Highway User

\$1,595,000 \$1,600,000

Metro Landfill Abatement

\$ 41,000 \$ 41,000

Metro Landfill Contingency

\$ 41,000 \$ 41,000

\$35,000 the first year and \$35,000 the second year must be subtracted from the total police and fire state aid otherwise payable to police and firefighters' relief associations under Minnesota Statutes, sections 69.011 to 69.051, and deposited in the general fund for the costs and expenses incurred by the department in collecting and distributing state aid to police and firefighters' relief associations.

\$55,000 the first year and \$55,000 the second year must be subtracted from the total taconite production tax revenues distributed to local units of government. These amounts shall be deposited in the general fund for the costs and expenses incurred by the department in collecting and distributing taconite production tax revenues.

Of the amount appropriated, \$340,000 and four positions are for additional telephone taxpayer assistance.

	1988	1989
\$		\$

The department shall during its regular audits of charitable gambling activity include in their findings reports on the potential gender bias in activities funded from the proceeds of charitable gambling. The findings shall be reported to the legislature in January of 1991.

\$30,000 the first year and \$30,000 the second year are for state-paid tuition for required assessor training.

Subd. 5. Operations

\$10,061,000	\$10,134,000
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Subd. 6. Tax Compliance

\$22,719,000	\$22,875,000
--------------	--------------

Sec. 20. TAX COURT

438,000	438,000
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Approved Complement - 6

Sec. 21. NATURAL RESOURCES

Subdivision 1. Total Appropriation	133,022,500	133,468,000
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1990

1991

Agency Approved Full-Time Equivalency

2,513

2,513

Summary by Fund

General

\$63,565,500	\$62,815,000
--------------	--------------

All-Terrain

\$ 744,000	\$ 794,000
------------	------------

Con. Con.

\$ 250,000	\$ 250,000
------------	------------

Forest Management

\$ 5,938,000	\$ 5,967,000
--------------	--------------

Nongame Wildlife

\$ 819,000	\$ 827,000
------------	------------

Snowmobile

\$ 4,473,000	\$ 4,561,000
--------------	--------------

	1988	1989
	\$	\$
State Park M. & O.		
\$ 5,545,000	\$ 5,684,000	
Water Recreation		
\$ 8,578,000	\$ 8,898,000	
Wild Rice		
\$ 30,000	\$ 30,000	
Wildlife Acquis.		
\$ 982,000	\$ 982,000	
Game and Fish		
\$41,098,000	\$41,785,000	
Permanent School		
\$ 325,000	\$ 200,000	
Trunk Highway		
\$ 675,000	\$ 675,000	

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

The full-time equivalency in this subdivision shall be the base for the 1992-1993 biennium. The commissioner of finance, in consultation with the commissioner of natural resources and the chairs of the house appropriations and senate finance committees, shall identify the amount appropriated from the funds in this subdivision for salary obligations based on the 1990 base level as adjusted by the appropriations in this act.

Subd. 2. Mineral Resources Management

\$4,779,000	\$4,809,000
-------------	-------------

The commissioner is authorized one complement position in the unclassified service from the mineral lease account and one unclassified position in the general fund for nonferrous test drilling.

\$185,000 the first year and \$185,000 the second year are for minerals re-

	1988	1989
	\$	\$

search. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$307,000 the first year and \$307,000 the second year are for iron ore cooperative research, of which \$200,000 the first year and \$200,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$122,000 the first year and \$122,000 the second year are for industrial minerals development. The commissioner may match this state money with money from nonstate sources. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$750,000 the first year and \$750,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Any income received from state oil and gas leases on property owned by the department of natural resources in the state of Montana shall be deposited in the minerals lease account and be made available for litigation costs. After completion of the litigation, any remaining funds received from the leases shall remain in the mineral lease account and be available for mineral diversification.

Subd. 3. Water Resources Management

\$7,719,000

\$7,750,000

	1988	1989
	\$	\$

Summary by Fund

General

\$7,437,000	\$7,468,000
-------------	-------------

Water Recreation

\$ 82,000	\$ 82,000
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\$7,500 in the first year is for construction of an outlet control structure to stabilize the level of Johnson Lake in Aitkin county.

Notwithstanding any law to the contrary, the board of water and soil resources is authorized to make grants to counties for comprehensive local water planning and implementation of priority actions identified in approved plans and sealing of abandoned wells.

\$200,000 in the first year and \$200,000 in the second year are available for a contract with the Minnesota geological survey for a county water atlas. Any unencumbered balance at the end of the first year does not cancel, but shall be available for the second year.

\$1,100,000 the first year and \$1,100,000 the second year are available for shoreland management grants to include \$125,000 each year of the biennium total for a grant to the North Shore Management Board. Pursuant to existing law and department rules, the metropolitan area shall be considered in distribution of these funds.

Subd. 4. Forest Management

\$24,991,500	\$25,969,000
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Summary by Fund

General

\$18,013,500	\$19,261,000
--------------	--------------

Con. Con.

\$ 250,000	\$ 250,000
------------	------------

Forest Management

\$ 5,756,000	\$ 5,783,000
--------------	--------------

	1988	1989
	\$	\$
Trunk Highway		
	\$675,000	\$675,000

The divisions of forestry and fish and wildlife must coordinate the harvesting of trees in order to ensure optimum wildlife habitat benefits and water quality of adjacent streams or lakes.

\$750,000 the first year and \$750,000 the second year are for emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund. No more than \$400,000 the first year and \$410,000 the second year are available for presuppression costs.

\$120,000 the first year and \$120,000 the second year from the general fund under Minnesota Statutes, section 89.04, may be used for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program.

\$1,687,000 the first year and \$2,497,000 the second year are available for county forest management grants. \$200,000 each year of this amount shall be used for employment of Minnesota conservation corps in the 14 forested counties of northern Minnesota.

\$400,000 the first year and \$200,000 the second year are available for a grant to the University of Minnesota's agricultural extension program for enhancement of research projects to expand the pulp and paper science industry. The university must use \$325,000 the first year and \$150,000 the second year to enhance the hybrid

1988

1989

\$

\$

aspen and larch research projects at the agricultural extension station in Grand Rapids, Minnesota. Additional funds requested for expansion of the paper science and engineering program at the university shall be sought from the Greater Minnesota Corporation and the University of Minnesota's budget.

\$7,500 the first year is for a grant to the Thief River Falls Technical Institute for a pilot project on aspen tree planting on conservation reserve lands.

The commissioner shall study and report to the legislature by January 1, 1991, the sources of state payments to counties for forestry related activities. The report shall identify the amounts paid by counties from various sources, the statutes directing the payments, and provide a comparison of the actual state payments to the amount individual counties would have received for these lands under the payment in lieu of taxes formulas.

Subd. 5. Parks and Recreation Management

\$17,136,000

\$17,419,000

Summary by Fund

General

\$11,019,000 \$11,164,000

State Park Maintenance and Operation

\$ 5,545,000 \$ 5,684,000

Water Recreation

\$ 572,000 \$ 571,000

\$572,000 the first year and \$571,000 the second year are from the water recreation account for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

	\$	1988	\$	1989
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The commissioner shall present a plan for the merger of the division of parks and recreation and trails and waterways on January 1, 1990, for a merger to be accomplished on July 1, 1990. The merger shall result in the reduction of at least one assistant director's position from the existing units and shall retain the current status of the existing directors.

The commissioner shall study and report to the legislature by July 1, 1990, the feasibility of providing a lapidary site or sites within a state park or forest area. The study shall identify the need for such sites, potential site locations, and projected costs associated with creation of such a program.

The commissioner shall develop a program to celebrate the 100th anniversary of the state park system. The activities planned for this celebration must focus on Itasca State Park, but shall be a system-wide recognition of the unique natural and cultural resources preserved within the park system. The commissioner shall coordinate this effort with the commissioner of trade and economic development as part of the celebrate 1990 program.

\$40,000 is appropriated from the general fund for land acquisition in Sibley State Park. This appropriation shall be available until expended.

Subd. 6. Trails and Waterways

\$9,213,000	\$9,663,000
-------------	-------------

Summary by Fund

General	\$1,137,000	\$1,157,000
All-Terrain	\$ 556,000	\$ 606,000
Snowmobile	\$3,471,000	\$3,541,000

	1988	1989
	\$	\$
Water Recreation		
	\$3,626,000	\$3,935,000
Game and Fish		
	\$ 423,000	\$ 424,000

\$1,748,000 the first year and
\$1,748,000 the second year are for
snowmobile grants-in-aid.

\$35,000 appropriated in Laws 1988,
chapter 686, article 1, section 11, for
lease of the Paul Bunyan Trail does not
cancel on June 30, 1989, and is avail-
able to the commissioner for this lease
agreement until June 30, 1991.

\$250,000 the second year is available
from the water recreation account for a
safe harbor program on Lake Superior.
This appropriation is not available un-
til the satisfactory completion of the
legislative commission on Minnesota
resources' north shore harbor study
project.

Subd. 7. Fish and Wildlife Manage- ment

\$30,616,000	\$29,727,000
--------------	--------------

Summary by Fund

General	\$ 2,887,000	\$ 1,663,000
Nongame Wildlife	\$ 769,000	\$ 777,000
Water Recreation	\$ 444,000	\$ 444,000
Wild Rice	\$ 30,000	\$ 30,000
Wildlife Acquis.	\$ 715,000	\$ 715,000
Game and Fish	\$25,771,000	\$26,098,000

\$685,700 in the first year and \$685,700
the second year are appropriated from

	1988	1989
	\$	\$

the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$769,000 the first year and \$777,000 the second year are from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$30,000 the first year and \$30,000 the second year are available from the wild rice account for a cooperative agreement with the Cuyuna Development Corporation for an economic development project on wild rice and grains. This project is to be accomplished in consultation with Aitkin Growth.

\$127,900 the first year and \$127,900 the second year are available for deer habitat improvement to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available. The commissioner shall study the costs associated with emergency deer feeding and shall include the effect that the feeding project has on the deer population. This study shall be completed by January 1, 1991, and include a comparison of Minnesota's emergency deer feeding program to emergency deer feeding programs in other states.

Any balance remaining in the \$80,000 appropriation made for elk management in Laws 1987, chapter 404, section 22, does not cancel and is made available until June 30, 1991.

The commissioner shall seek to qualify money appropriated for reinvest in Minnesota, payments associated with

1988

1989

\$

\$

Indian treaty agreements, and projects funded by legislative commission on Minnesota resources funds for federal matching funds available under the Wallop-Breaux program.

The commissioner shall make the development of fishing piers on the Mississippi river in areas easily accessible to inner city populations the first priority in allocating the funds used to construct fishing piers for the 1990-1991 biennium.

\$100,000 the first year is from the game and fish fund to construct two barrier reefs on the south shore of Lake of the Woods for fish habitat improvement.

\$300,000 the first year and \$300,000 the second year are general fund base adjustments to the scientific and natural areas and county biological survey activities. \$200,000 each year shall be directed to the county biological survey. One unclassified position is authorized in the general fund for this activity. \$100,000 each year is for the scientific and natural areas activity.

\$500,000 the first year and \$500,000 the second year are for a pilot grant program to private nonprofit organizations, including but not limited to, sporting groups and lake associations to conduct fish rearing and stocking for the department. The commissioner shall develop a process for the distribution of grant money to organizations submitting proposals for this program. For purposes of this pilot, any existing departmental rules or regulations prohibiting the department from using fish produced in private hatcheries for rearing or stocking purposes shall be suspended. The commissioner shall obtain a portion of the fish used for this pilot from private fish hatcheries. The

1988

\$

1989

\$

commissioner shall ensure that fish obtained from private hatcheries comply with the health standards applied to fish raised by the department's hatcheries. Grant projects selected for this program must meet eligibility requirements for federal reimbursement from Wallop-Breaux funds.

The commissioner shall contract with a private consultant outside state service to conduct a study of the cost-effectiveness of this pilot program and the potential for continuation of the pilot beyond the biennium. The study shall also include an analysis of the costs associated with the operation of a state fish hatchery to include at least building maintenance, personnel, supplies, and expenses as compared to the costs of private hatchery operations. The study shall be submitted to the legislature on or before January 1, 1991, analyzing the results of the project and making specific recommendations for future actions relative to public and private ventures. A work plan must be submitted and reviewed by the legislative commission on Minnesota resources for the pilot project. Should the appropriation from either year be insufficient, the appropriation from the other year shall be made available.

\$300,000 the first year and \$300,000 the second year is from the water recreation account for the development of a program to control the spread of purple loosestrife and Eurasian water milfoil on Minnesota public waters.

The commissioner shall reorganize the division of fish and wildlife to make the fisheries section an operating unit within the division of wildlife as of July 1, 1989. The reorganization shall result in the elimination of the director of fish and wildlife and fisheries section chief positions.

	1988	1989
\$		\$

\$1,250,000 is appropriated from the general fund to the commissioner of natural resources for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands, established under Minnesota Statutes, section 40.43, to be available until June 30, 1990.

Subd. 8. Enforcement

\$12,631,000	\$12,952,000
--------------	--------------

Summary by Fund

General	\$2,246,000	\$2,246,000
All-Terrain	\$ 152,000	\$ 152,000
Snowmobile	\$ 282,000	\$ 282,000
Water Recreation	\$1,972,000	\$1,972,000
Game and Fish	\$7,979,000	\$8,300,000

The appropriation from the game and fish fund includes \$20,000 the first year and \$20,000 the second year for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanitation, and public information and education. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,124,300 the first year and \$1,124,300 the second year are from the water recreation account for grants to counties for boat and water safety.

The undercover operations unit within this division shall submit an annual

	1988	1989
finance report to the chair of the house appropriations committee and the chair of the senate finance committee by January 1 of each year detailing the expenditures for the previous fiscal year and projecting the expenditures for the forthcoming fiscal year.	\$	\$

Subd. 9. Field Operations Support

\$10,136,000	\$9,344,000
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Summary by Fund

General

\$5,401,000	\$4,719,000
-------------	-------------

Game and Fish

\$4,045,000	\$4,060,000
-------------	-------------

Snowmobile

\$ 11,000	\$ 11,000
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Water Recreation

\$ 354,000	\$ 354,000
------------	------------

Permanent School

\$ 325,000	\$ 200,000
------------	------------

\$832,000 the first year and \$492,000 the second year are for the purpose of surveys of lots offered for sale under Minnesota Statutes, section 92.67, subdivision 3. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Three positions for the department of natural resources lakeshore lease sale program shall be funded only until June 30, 1991.

If the appropriation made under Minnesota Statutes, section 92.46, subdivision 1, paragraph (d), for fiscal year 1990 is not expended, it is available for use in fiscal year 1991.

\$500,000 is appropriated from the general fund as contributed capital for the professional services revolving account

	1988	1989
	\$	\$

established to provide engineering and real estate management services to the department's operating unit. Positions established within this account are in the unclassified service.

Subd. 10. Regional Operations Support

\$4,751,000	\$5,022,000
-------------	-------------

Summary by Fund

General Fund

\$3,818,000	\$4,077,000
-------------	-------------

Game and Fish

\$ 708,000	\$ 719,000
------------	------------

Water Recreation

\$ 225,000	\$ 226,000
------------	------------

Subd. 11. Special Services and Programs

\$5,099,000	\$4,928,000
-------------	-------------

Summary by Fund

General

\$3,895,000	\$3,698,000
-------------	-------------

Forest Management

\$ 182,000	\$ 184,000
------------	------------

Nongame Wildlife

\$ 50,000	\$ 50,000
-----------	-----------

Snowmobile

\$ 180,000	\$ 198,000
------------	------------

Water Recreation

\$ 487,000	\$ 493,000
------------	------------

Wildlife Acquis.

\$ 267,000	\$ 267,000
------------	------------

Game and Fish

\$ 38,000	\$ 38,000
-----------	-----------

\$85,000 the first year and \$85,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mis-

	1988	1989
	\$	\$
Mississippi within areas under its jurisdiction.		

\$18,000 the first year and \$18,000 the second year are for department operating and administrative expenses associated with the Mississippi headwaters board grant and the implementation of the plan in areas along the river that are not included within the jurisdiction of the Mississippi headwaters board.

\$126,000 the first year is for a planning grant to the Committee for an International Wolf Center for planning and program development for the wolf center.

\$100,000 the first year is for a planning grant to the Kettle River Environmental Learning Center. Any unencumbered balance from the first year does not cancel, but is available for the second year.

Subd. 12. Administrative Management Services

\$5,951,000	\$5,885,000
-------------	-------------

Summary by Fund

General	\$2,436,000	\$2,353,000
All-Terrain	\$ 36,000	\$ 36,000
Snowmobile	\$ 529,000	\$ 529,000
Water Recreation	\$ 816,000	\$ 821,000
Game and Fish	\$2,134,000	\$2,146,000

The commissioner of employee relations shall transfer persons occupying classified or unclassified seasonal, part-time, or full-time positions with a full-time equivalency of 75 percent or

	1988	1989
\$		\$

greater in the department of natural resources that are converted to full-time classified positions by the state departments appropriation act of 1989 to the same classification and pay step in the classified civil service without competitive examination as of June 30, 1989.

The full-time complement assigned to the commissioner's office shall be reduced by one professional/managerial position and one clerical position.

Sec. 22. ZOOLOGICAL BOARD	5,710,000	5,395,000
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Approved Complement - 157

\$435,000 the first year and \$435,000 the second year are only for major maintenance and physical facilities upkeep at the zoo and are one-time appropriations.

\$250,000 the first year is only available upon demonstration to the commissioner of finance of a one-for-one match of private dollars toward the coral reef shark exhibit. This is a one-time appropriation and is available for the biennium.

\$65,000 the first year is a one-time appropriation for a contract with a post-secondary educational institution for horticultural activities and greening of the zoo.

The complement of the director's office is reduced by one position.

Sec. 23. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation	24,067,000	23,258,000
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		\$	1988	\$	1989
	1990				
Approved Complement -					
	627.3				650.3
General -					
	182.5				187.5
Special Revenue -					
	119.5				136.5
Federal -					
	207.5				196.5
Environmental -					
	56				56
Metro Landfill Contingency -					
	2				2
Motor Vehicle Transfer -					
	3				3
Building -					
	23				23
Petroleum Cleanup -					
	19				20

Summary by Fund

General		
	\$11,871,000	\$10,283,000
Special Revenue		
	\$ 4,713,000	\$ 5,013,000
Environmental		
	\$ 3,053,000	\$ 3,053,000
Metro Landfill Abatement		
	\$ 1,700,000	\$ 1,700,000
Metro Landfill Contingency		
	\$ 679,000	\$ 679,000
Petroleum Cleanup		
	\$ 1,345,000	\$ 1,352,000
Motor Vehicle Transfer		
	\$ 707,000	\$ 1,179,000

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

	\$	1988	\$	1989
Subd. 2. Water Pollution Control				
	\$5,724,000	\$3,982,000		
Summary by Fund				
General				
	\$4,500,000	\$2,577,000		
Special Revenue				
	\$1,224,000	\$1,405,000		

\$643,000 the first year is from the general fund to be transferred to the department of trade and economic development for the capital cost component grant program established under Minnesota Statutes, section 116.18, subdivision 3b, for the purpose of providing full grants to those municipalities awarded partial capital cost component grants in 1989.

This appropriation is only available upon certification by the pollution control agency that the construction plans for the affected projects meet established requirements and the appropriate construction security bonds have been obtained by the contractor for each project.

The total state stop payment amount that is withheld from communities completing wastewater treatment facility construction under the state-federal matching grants program must not exceed ten percent of the total state grant amount.

Notwithstanding any law to the contrary, agricultural land and land capable of being used as farmland in vegetable processing operations that is reasonably necessary to meet the requirements of pollution control laws or rules shall not be subject to the land ownership prohibitions of Minnesota Statutes, section 500.221.

	\$	1988	\$	1989
Subd. 3. Air Pollution Control				
	\$3,237,000		\$3,705,000	
Summary by Fund				
General	\$2,081,000		\$2,081,000	
Special Revenue	\$ 608,000		\$ 604,000	
Motor Vehicle Transfer	\$ 548,000		\$1,020,000	

\$548,000 the first year and \$1,020,000 the second year are available as a loan from the motor vehicle transfer fund to the vehicle emissions inspection account for the vehicle emissions inspection program. The loan shall be repaid from vehicle emissions inspection receipts. The authorized complement is increased by six positions the first year and by no more than 16 positions the second year. Of the complement for the second year no more than 15 shall be inspection waiver officers and not more than one shall be an inspection waiver officer supervisor. The agency shall allot no more than one waiver officer for each inspection station made operational during the biennium. Should the number of inspection stations made operational be less than 15, the total authorized complement shall be adjusted downward accordingly.

Subd. 4. Groundwater and Solid Waste Pollution Control

\$7,756,000 \$8,056,000

Summary by Fund

General	\$2,488,000	\$2,788,000
Environmental Response	\$2,890,000	\$2,890,000
Metro Landfill Abatement	\$1,700,000	\$1,700,000

	1988	1989
	\$	\$
Metro Landfill Contingency		
	\$670,000	\$670,000

All money in the environmental response, compensation, and compliance fund not otherwise appropriated, is appropriated to the pollution control agency for the purposes described in the environmental response and liability act, Minnesota Statutes, section 115B.20, subdivision 2, paragraphs (a), (b), (c), and (d). This appropriation is available until June 30, 1991.

All money in the metropolitan landfill abatement fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council may not spend the money until the legislative commission on waste management has made its recommendations on the budget and work program submitted by the council.

Any unencumbered balance from the metropolitan landfill contingency fund remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Subd. 5. Hazardous Waste Pollution Control

	\$4,864,000	\$4,944,000
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Summary by Fund

General

	\$1,129,000	\$1,079,000
--	-------------	-------------

Special Revenue

	\$2,308,000	\$2,431,000
--	-------------	-------------

Motor Vehicle Transfer

\$ 121,000	\$ 121,000
------------	------------

Petroleum Cleanup

\$1,306,000	\$1,313,000
-------------	-------------

\$50,000 in the first year is for a grant to the Minnesota emergency responders

	1988	1989
	\$	\$
training academy for hazardous materials handling training.		

\$1,000,000 the first year and \$1,000,000 the second year are appropriated from the general fund for transfer to the environmental response, compensation, and compliance fund.

Subd. 6. Regional Support

\$68,000	\$68,000
----------	----------

Summary by Fund

General	\$16,000	\$16,000
Environmental	\$41,000	\$41,000
Motor Vehicle Transfer	\$ 2,000	\$ 2,000
Petroleum Cleanup	\$ 9,000	\$ 9,000

Subd. 7. General Support

\$2,426,000	\$2,511,000
-------------	-------------

Summary by Fund

General	\$1,657,000	\$1,742,000
Environmental	\$ 122,000	\$ 122,000
Metro Landfill Contingency	\$ 8,000	\$ 8,000
Motor Vehicle Transfer	\$ 36,000	\$ 36,000
Special Revenue	\$ 573,000	\$ 573,000
Petroleum Cleanup	\$ 30,000	\$ 30,000

The program permit and assessment fees of the pollution control agency shall equal as nearly as possible the amount appropriated from the special

	\$	1988	\$	1989
--	----	------	----	------

revenue fund for the biennium and may not include any amounts to cover the cost items in Minnesota Statutes, section 16A.128, subdivision 1a, except to the extent that the cost items are included in the appropriations.

Beginning with fiscal year 1990, any new fee or fee increase adopted by the pollution control agency under Minnesota Statutes, chapter 14, shall be subject to legislative approval during the next biennial budget session following adoption. The commissioner shall submit a report of fee adjustments to the legislature as a supplement to the biennial budget. Any new fee or fee increase not ratified by the legislature shall become null and void on July 1 following adjournment.

Sec. 24. WASTE MANAGEMENT BOARD

2,860,000	2,890,000
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Summary by Fund

General

\$2,055,000	\$2,085,000
-------------	-------------

Motor Vehicle Transfer

\$ 805,000	\$ 805,000
------------	------------

1990

1991

Approved Complement -

36

36

General -

22

22

Motor Vehicle Transfer -

3

3

Building -

10

10

As a part of the transfer of the waste management board, any complement positions currently in excess of 36 full-time positions shall be eliminated. The current division director and assistant division director positions shall be

1988 1989
\$ \$

eliminated and a new waste management board director shall be appointed by the governor.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,973,200 the first year and \$2,008,200 the second year are from the motor vehicle transfer fund for use in cleanup of waste tire dumps, as prioritized by the agency. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 25. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation 38,240,000 34,732,000

1990 1991

Approved Complement -
213.7 216.7

General -
174.7 173.7

Special Revenue -
3 3

Motor Vehicle Transfer -
3 3

Trunk Highway -
16 16

Federal -
17 21

Summary by Fund

General \$37,379,000 \$33,871,000

Motor Vehicle Transfer
\$ 196,000 \$ 196,000

		1988	1989
		\$	\$
Trunk Highway			
	\$665,000	\$665,000	

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

The following accounts within the special fund are abolished: 1991 sports festival, amateur athletic facilities, sport event lead network, Minnesota Olympic development, and the celebrate 1990 program.

All funds received by the department as a result of interagency agreements for the celebrate 1990 program shall be deposited as nondedicated receipts to the general fund. The commissioner of finance shall add a like amount from the general fund to the appropriations in this section. This is a one-time appropriation.

Subd. 2. Minnesota Trade Office

\$2,457,000	\$2,469,000
-------------	-------------

There is appropriated funding for a trade office in Canada.

The department may not extend the lease agreement for space in the world trade center without the written approval of both the chair of the house appropriations committee and the chair of the senate finance committee. The department shall present a proposed lease agreement to the chairs of the house appropriations and senate finance committees in time for the department to find alternative space should the lease agreement not be approved.

\$150,000 the first year and \$150,000 the second year are for foreign trade zones.

	\$	1988	\$	1989
Expenses incurred by the office as a result of the lease of additional space in the world trade center after January 1, 1989, may not be included as base level funding for the agency.				

Subd. 3. Business Promotion

\$3,503,000	\$3,403,000
-------------	-------------

Summary by Fund

General

\$3,307,000	\$3,207,000
-------------	-------------

Motor Vehicle Transfer

\$ 196,000	\$ 196,000
------------	------------

\$60,000 the first year and \$60,000 the second year are for a grant to the Minnesota motion picture and television board. The funding is only available upon demonstration of a one-for-one match of private dollars.

Funding for administration of the celebrate 1990 program is a one-time appropriation to be used for administration of the 1990 program only.

The department shall assist Minnesota Project Outreach in applying for funding through the regular oil overcharge process as established.

\$125,000 the first year and \$125,000 the second year are for the state's match for the federal small business development centers. The department shall evaluate the effectiveness of these centers and report to the legislature in January of 1991 on the cost effectiveness of these centers. If funding in one year is insufficient the other year's appropriation is available.

\$1,300,000 the first year and \$1,300,000 the second year is for the Minnesota Jobs Skills Partnership.

	1988	1989
	\$	\$
Funding for grants through the jobs skills partnership program appropriated by Laws 1987, chapter 386, article 10, section 9, does not cancel and may be used for further grants.		

Subd. 4. Tourism

\$8,195,000	\$7,995,000
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Summary by Fund

General

\$7,530,000	\$7,330,000
-------------	-------------

Trunk Highway

\$ 665,000	\$ 665,000
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The office of tourism shall produce a new state film from the increased appropriation in this subdivision.

\$125,000 the first year and \$125,000 the second year is for computer needs at the travel information centers. This appropriation is from the general fund and is a one-time appropriation.

\$40,000 the first year and \$40,000 the second year are from the trunk highway fund for funding of a travel information center.

Notwithstanding any law to the contrary, the department of transportation shall provide space free of charge to the office of tourism for travel information centers. The department of transportation shall provide highway maps free of charge for use and distribution through the travel information centers. The department of transportation shall not charge the office of tourism for any regular expenses associated with the operation of the travel information centers.

No state funds shall be used nor shall any state agency contract or enter into

	1988	1989
	\$	\$

an agreement or obligation to promote or fund an international music festival.

\$75,000 of this appropriation is to the office of tourism for promoting the cross country ski trails program and providing the public with information about the importance of the program to tourism in Minnesota and the importance of maintenance and development of cross country ski trails.

\$100,000 the first year is for a grant to Moscow on the Mississippi for a year-long series of events and exchanges between Minnesota and the Soviet Union. This appropriation is available until expended.

During the biennium the office of tourism may market tourism-related publications and media promotional materials to businesses and organizations. The proceeds from the marketing are to be placed in an account in the special revenue fund and are to be used for the preparation and distribution of the office's publications and media promotional materials. This account does not cancel at the end of the biennium. The director shall report to the legislature by January 15, 1991, on this account.

In order to develop maximum private sector involvement in tourism, \$2,200,000 the first year and \$2,200,000 the second year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution of nonstate sources that have been documented by the commissioner of finance. Up to one-third of the match may be given in in-kind contributions.

Subd. 5. Administration

\$1,541,000

\$1,841,000

	1988	1989
	\$	\$

Notwithstanding any law to the contrary there shall be no funding appropriated, allocated, or transferred for funding of the office of the commissioner or the position of commissioner.

\$50,000 the first year and \$350,000 the second year are for the tactical information plan. \$300,000 of the second year's appropriation is a one-time expenditure.

Subd. 6. Community Development

\$21,278,000	\$17,758,000
--------------	--------------

\$5,600,000 the first year and \$5,600,000 the second year are for economic recovery grants. \$3,500,000 the first year and \$3,500,000 the second year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be returned to the state and deposited as nondedicated receipts in the general fund as an offset to this program. The appropriation for the economic recovery grants program shall not be made available until the commissioner of finance has determined that the general fund has been credited with the proper amounts from the Greater Minnesota Corporation for each fiscal year.

\$250,000 the first year is for a grant to the Duluth zoo. The grant is only available after the commissioner of finance has determined that this grant has been matched with \$500,000 from non-state sources, and that the zoo has received full accreditation by the American Association of Zoological Parks and Aquariums.

	1988	1989
	\$	\$

\$5,000 the first year is for a grant to the Redwood Falls Children's Zoo. The grant is only available after the commissioner of finance has determined that this grant has been matched with \$5,000 from nonstate sources and that the zoo has received full accreditation by the American Association of Zoological Parks and Aquariums.

\$1,400,000 the first year is a one-time grant to the Minnesota Advanced Manufacturing Technology Center.

\$5,000,000 the first year and \$5,000,000 the second year are for the urban revitalization action program.

\$2,000,000 the first year and \$2,000,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$700,000 the first year is for Minnesota marketplace grants and is available for either year.

\$2,000,000 the first year is a one-time general fund grant to capitalize a tourism loan account in the special revenue fund. \$2,000,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be returned to the state and deposited as nondedicated receipts in the general fund as an offset for the tourism loan program. The appropriation for the tourism loan program shall not be made available until the commissioner of finance has determined that the general fund has been credited

1988

1989

\$

\$

with the \$2,000,000 from the Greater Minnesota Corporation.

\$1,000,000 the first year is for funding of the celebrate 1990 grants. Only existing applications that have not received funding shall be considered for funding. Funding appropriated in the first year of the biennium for celebrate 1990 grants is available for the second year. This is a one-time appropriation.

Any remaining balance in the energy and economic development fund after the appropriations made in Laws 1987, chapters 386 and 404, section 26, is canceled to the general fund.

A city may grant the funds received under Laws 1988, chapter 686, article 1, section 14, paragraph (o), to an incorporated development society or organization of the state that, in the city's opinion, will use the money for the best interests of the joint consolidated district area in developing the economic and agricultural resources of the area.

\$250,000 the first year and \$250,000 the second year are for community development corporations. This appropriation is only available to the extent that it is matched by a community development corporation with \$2 of nonstate money for every \$3 of state money.

\$300,000 the first year and \$300,000 the second year are for a grant to the Women's Economic Development Corporation. This is a one-time appropriation.

\$100,000 the first year and \$100,000 the second year are for a grant to the Minnesota cooperation office. This is a one-time appropriation.

1988

1989

\$

\$

\$851,000 the first year and \$2,506,000 the second year are for grants to pay principal and interest due on bonds issued by the city of Minneapolis for the Great River Road Project, the city of St. Paul for the Como Park conservatory, suburban Hennepin regional park district for land acquisition and development, Washington County for land acquisition and development, and the Western Lake Superior Sanitary District. The amounts needed each year for the Western Lake Superior Sanitary District are transferred to the pollution control agency for payment of this grant. These amounts shall be continued in the base and adjusted only for the normal reduction in principal and interest payments.

Notwithstanding any law to the contrary, suburban Hennepin regional park district may issue \$1,700,000 in general obligation bonds to acquire and develop land for a regional park on Lake Minnetonka. Bonds issued under this authority are not included in the net debt of the park district as defined in Minnesota Statutes, section 383B.73, subdivision 2.

Notwithstanding any law to the contrary, Washington County may issue \$1,500,000 in general obligation bonds to acquire and develop land for a regional park on Big Marine Lake.

The department of trade and economic development may grant up to \$100,000 from the economic recovery fund to a city of under 600 population that has experienced economic hardship in the last 12 months due to the loss of employment. The grant may be used to establish a revolving loan fund or to undertake public improvements to enhance economic development prospects for the city.

1988

1989

\$

\$

Subd. 7. Policy Analysis, Science,
and Technology

\$1,266,000

\$1,266,000

\$75,000 the first year and \$75,000 the second year are for a grant to the Minnesota Inventors' Congress. The purposes of this grant include establishment of a focal point for development of an invention support system including an advisory council comprised of representatives from the public and private sectors; coordination of an invention support system, primarily in the form of semi-autonomous regional centers, while protecting, enriching, and promoting existing activities such as the Minnesota Inventors' Congress, the Minnesota Inventors' Hall of Fame, the Inventions and Technology Transfer Corporation, the Inventors' Club, and the Young Inventors' Fair; promotion of invention research, with resultant knowledge to be disseminated to Minnesota educational systems; and development of a fiscal design for the statewide invention support system. The Inventors' Congress shall report to the commissioner of trade and economic development by June 30 of each year on its activities in carrying out the purposes of this grant.

\$120,000 the first year and \$120,000 the second year are appropriated for a grant to Minnesota Project Innovation. Minnesota Project Innovation shall report quarterly to the division of trade and technology of the economic development committee in the house and to the senate finance committee.

Sec. 26. AMATEUR SPORTS COM-
MISSION

528,000

353,000

Approved Complement - 6

\$20,000 of the appropriation is for establishing and promoting programs for ringette hockey.

	1988	1989
	\$	\$

\$175,000 the first year is appropriated to the amateur sports commission for a grant to a joint recreation board made up of three or more municipalities for feeder hills. This appropriation is to be matched with \$50,000 from sources other than the state general fund. This appropriation is available until June 30, 1991.

Notwithstanding any law to the contrary, the Minnesota state high school league shall develop a plan to establish a two-class state high school hockey championship tournament. The high school league shall report to the legislature on its plan no later than August 15, 1990. Beginning in the 1990-1991 school year the high school league shall conduct a two-class high school hockey championship.

The amateur sports commission may not enter into any agreement obligating it or the state to share in the operation of any amateur sports facility. The commission may not enter into any agreement that would commit the commission or the state into sharing in the profit or loss of any amateur sports facility. This section does not apply to the national sports center at Blaine.

Sec. 27. GREATER MINNESOTA CORPORATION

Notwithstanding any law to the contrary the Greater Minnesota Corporation may not reduce its commitment to the Minnesota advanced manufacturing technology center project.

\$2,000,000 of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer

1988

1989

\$

\$

from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income and lottery proceeds are transferred to the department of trade and economic development for deposit in the capital access account in the special revenue fund for the capital access program as referenced in a bill styled as H.F. No. 607.

\$1,000,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income and lottery proceeds shall be transferred to Minnesota Project Innovation by October 1, 1989, for the purposes of providing research bridge grants. The commissioner of trade and economic development shall be responsible for coordinating the grant. Upon written notice from the commissioner of trade and economic development or the deputy commissioner for community development, the Greater Minnesota Corporation shall transfer the funds requested to Minnesota Project Innovation.

\$150,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be transferred by August 1, 1989, to the Western Five Community Development Corporation for the purpose of establishing a statewide system of aiding small businesses in preparing proposals for and negotiating federal

1988

\$

1989

\$

government procurement contracts. The Western Five Community Development Corporation shall cooperate with the other community development corporations in the state to develop this statewide system. Responsibilities of the community development corporations may include preparation and negotiation of federal government procurement proposals on behalf of small businesses and administration of federal government procurement contracts. This funding must be matched on a dollar-for-dollar basis from non-state sources.

\$1,000,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be transferred to Minnesota Project Outreach. This is in addition to funding already committed to Project Outreach by the Greater Minnesota Corporation.

\$1,000,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be reserved by the Greater Minnesota Corporation for the statewide telecommunications access and routing system. \$700,000 of this amount shall be transferred to the statewide telecommunications access and routing system revolving account by August 1, 1989. \$300,000 of this amount shall be held by the Greater

	1988	1989
	\$	\$
Minnesota Corporation as a contingency for the revolving account. The Greater Minnesota Corporation shall release the \$300,000 contingency to the commissioner of administration for deposit in the revolving account upon written request by the commissioner of administration.		

The commissioner of administration shall submit to the federal court and the federal Department of Energy an application for funding of the statewide telecommunications access and routing system through stripper well over-charge funds. The commissioner shall refund to the Greater Minnesota Corporation all funding received from the stripper well application. The amount refunded shall be limited to the amount that the Greater Minnesota Corporation transfers to the revolving account.

Sec. 28. HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation	12,336,000	12,334,000
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Approved Complement - 120

Spending limit on cost of general administration of agency programs:

1990	1991
\$6,625,000	\$7,045,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$225,000 the first year and \$225,000 the second year are for housing programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

	1988	1989
	\$	\$

\$1,920,000 the first year and \$1,920,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,442,000 the first year and \$1,442,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for a demonstration program to make off-reservation loans in combination with bond proceeds from the agency.

\$178,000 the first year and \$178,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$5,000,000 the first year and \$5,000,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$500,000 the first year and \$500,000 the second year are for temporary housing programs under Minnesota Statutes, sections 462A.05, subdivision 20; and 462A.21.

Notwithstanding any law to the contrary, in the event that the housing finance agency assumes servicing responsibility for its home improvement loans, energy loans, and rehabilitation loans, the agency may apply for an increase in its complement and administrative cost ceiling through the regular legislative advisory commission process.

	1988	1989
\$		\$

Subd. 2. Urban and Rural Homesteading

\$500,000 the first year and \$500,000 the second year are for a pilot project for grants to establish a rural and urban homesteading program.

Subd. 3. Governor's Housing Commission

\$1,500,000 the first year and \$1,500,000 the second year are for rental housing for low income families.

\$625,000 the first year and \$625,000 the second year are for rental housing for low-income individuals.

\$250,000 the first year and \$250,000 the second year are for rental housing for the mentally ill.

\$63,000 the first year and \$62,000 the second year are for making newly constructed two- and three-bedroom units accessible for the disabled.

\$70,000 the first year and \$70,000 the second year are for a counseling program for seniors on home equity conversion.

\$63,000 the first year and \$62,000 the second year are for programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

Sec. 29. STATE PLANNING AGENCY

5,998,000	5,971,000
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1990	1991
------	------

Approved Complement -

111	111
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General -

78.5	78.5
------	------

	1988	1989
	\$	\$
Special Revenue -		
4.5	4.5	
Revolving -		
22	22	
Federal -		
6	6	

Summary by Fund

General

\$5,523,000	\$5,496,000
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Special Revenue

\$ 475,000	\$ 475,000
------------	------------

\$427,000 the first year and \$427,000 the second year are for regional planning grants to regional development commissions organized under Minnesota Statutes, sections 462.381 to 462.396, and is only available to regional development commissions that have adopted the maximum tax levy allowed under Minnesota Statutes, sections 462.381 to 462.396.

Until June 30, 1991, for state and federal grants distributed by state agencies to regions of the state not having a regional development commission, the state agency administering the grant program may assess the program for administrative costs incurred by the agency that normally are incurred by the commission.

\$22,000 the first year and \$22,000 the second year are for the Council of Great Lakes Governors.

The office of jobs policy is abolished.

The authorized complement of the Washington office is reduced by one full-time position.

During the biennium any seminars or training sessions regarding federal is-

	1988	1989
\$		\$

sues for federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the legislature regarding the timing of such seminars.

The commissioner shall contract with an independent consultant to explore future directions for Minnesota in land management information systems. This study shall examine interagency cooperation, public and private venture potential, the status of geographic information systems planning as it applies to Minnesota, the role that the land management information center should play in future development of an overall system, and development of a long-range strategy for Minnesota's role in providing the appropriate services to agencies and political subdivisions. The study shall also explore the activities of other states and nations in the area of geographic information systems. The study must be accomplished in conjunction with the information policy office and be compatible with the long-range information management architecture being developed by the information policy office. A final report shall be submitted to the legislature by January 1, 1991, indicating recommendations for future actions.

The state planning agency shall study the effects on the state's transportation systems, methods of storage, public safety systems, and state health concerns of any incinerator to be constructed in Minnesota that is designed to burn hazardous wastes. The report shall include specific recommendations and shall be delivered to the legislature and the affected state agencies by January 1, 1991.

Sec. 30. MINNESOTA FUTURE RESOURCES FUND

	1988	1989
	\$	\$
Subdivision 1. Total Appropriation	9,975,000	8,615,000

Approved Complement - 36.8

The appropriations in this section are from the Minnesota future resources fund.

The amounts that may be spent from this appropriation for each activity are more specifically described in the following subdivisions.

For all appropriations in this section, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. Legislative Commission on Minnesota Resources	340,000	340,000
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For the biennium ending June 30, 1991, the commission shall review the work programs and progress reports required under this section.

Subd. 3. Department of Natural Resources	2,189,000	2,089,000
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Approved Complement - 21

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Acquisition of Private Exploration Data

\$75,000	\$75,000
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Approved Complement - 2

To acquire and catalog private drill core and other materials, microfilm appropriate data, and make all this infor-

	\$	1988	\$	1989
<p>mation permanently available for public use.</p>				

(b) St. Louis County Tract Index

\$40,000	\$40,000
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This appropriation is for a grant to St. Louis county to develop a computerized tract index system that will make it possible to easily determine severed mineral ownership on tracts with potential mineral development possibilities. This appropriation is contingent upon a \$100,000 match from St. Louis county.

(c) Groundwater Sensitivity

\$362,000	\$362,000
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Approved Complement - 1

To provide guidelines describing where contamination has or is likely to reach the groundwater supply as determined by hydrogeologic conditions, water use, land use, or other factors and make these tools available for appropriate state and local action.

(d) River Bank and Meander Management

\$100,000	\$100,000
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This project shall address the need to reduce losses due to river flooding by developing comprehensive information on river reaches prone to channel shifts and low-cost erosion and sedimentation control techniques.

(e) Development of Forest Soil Interpretations

\$25,000	\$25,000
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This appropriation is for a grant to Beltrami county to develop a system of

	1988	1989
	\$	\$
forest soil interpretations and characteristics in which the information from county soil surveys is put into a computerized format, thus insuring optimum utilization of the survey information in forested counties.		

(f) Urban Forestry

\$50,000	\$50,000
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Approved Complement - 1

To accelerate the community forestry assistance program.

(g) Impacts of Forest Road Systems

\$85,000	\$85,000
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To determine how present and planned forest road networks expansion and upgrading will impact forest uses.

(h) Statewide Public Recreation Map

\$285,000	\$285,000
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Approved Complement - 3

To publish and provide for sale a statewide series of recreational maps displaying the location of various public recreational opportunities, including county-managed facilities. When this project is completed, the map project is expected to be self-sustaining. This project is to serve as a pilot for the development of a comprehensive geographic information system in the department.

(i) Camper Survey

\$15,000	\$15,000
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For a cooperative matching program contingent upon the office of tourism providing \$30,000 and the Minnesota Association of Campground Owners

	1988	1989
	\$	\$
providing \$10,000 to better understand and market camping in Minnesota.		

(j) American Youth Hostel Pilot Program

\$130,000	\$130,000
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Approved Complement - 2

To establish as a demonstration project an American Youth Hostel facility at an appropriate site. Consultation with the Minnesota historical society is expected.

The commissioner may contract for the operation of the pilot youth hostel project without complying with the competitive bidding requirements of Minnesota Statutes, chapter 16B.

(k) Trails Planning and Management

\$64,000	\$64,000
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Approved Complement - 1

To prepare a statewide trail plan that coordinates the appropriate agencies, including the department of transportation's rail banking program, and addresses the issue of acquisition and development priorities, procedures, and responsibilities for linear corridor opportunities.

(l) Trail Right-of-Way Protection

\$75,000	\$75,000
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To provide for innovative ways of obtaining public opportunity to use high priority linear corridors for recreation, with emphasis on less than fee interests, and for appropriate betterments.

(m) Ridgeline Hiking Trail

\$78,000	\$78,000
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	1988	1989
	\$	\$

Approved Complement - 1

This appropriation is for a grant to the Superior Hiking Trail Association for planning, development, and limited use of easement acquisition of at least a segment of the trail between Gooseberry Falls and Two Harbors. The use of conservation corps resources is strongly encouraged. Up to \$70,000 is available to the department for planning and administrative assistance. Available federal and private money is appropriated.

(n) North Shore Harbors Study

\$100,000	\$-0-
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This appropriation is for a grant to the North Shore Management Board to determine the best location for protected harbors on the north shore of Lake Superior.

(o) Brighton Beach Breakwater

The appropriation for this purpose in Laws 1987, chapter 404, section 30, subdivision 3, item (g), remains available until June 30, 1991.

This carryforward appropriation is contingent upon additional funding of \$500,000 from the city of Duluth and state and federal money necessary for total funding of a breakwater and public access on Lake Superior at Brighton beach in the city of Duluth.

In the event that the required match from the city of Duluth is not provided, this appropriation shall be made available for the north shore harbor study funded in this section.

1988

1989

\$

\$

(p) Mississippi River Interpretive Center Planning

\$30,000

\$30,000

This appropriation is for a grant to the city of Winona to plan for an upper Mississippi river interpretive center as outlined in the state historic interpretive center plan.

(q) Urban Fishing Program

\$175,000

\$175,000

Approved Complement - 1

To expand urban fishing opportunities and awareness.

(r) North American Waterfowl Plan Coordination

\$100,000

\$100,000

Approved Complement - 1

To coordinate the implementation of waterfowl and wetland protection and enhancement programs and to survey lakes.

(s) Swan Lake Area Wildlife Project

Approved Complement - 2

The appropriation for this purpose in Laws 1987, chapter 404, section 30, subdivision 3, item (j), remains available until June 30, 1991.

The appropriation may be spent for acquisition, habitat development, management, and evaluation. Matching money is appropriated.

(t) County Biological Survey

\$75,000

\$75,000

	1988	1989
	\$	\$

Approved Complement - 2

To continue and expand assessment of Minnesota's rare natural resources in a systematic county-by-county manner.

(u) Purple Loosestrife Research

\$100,000	\$100,000
-----------	-----------

To initiate cooperative research with the University of Minnesota to document the genetic diversity and study the biology and ecology of Minnesota purple loosestrife populations to enhance the use of nonchemical control methods and evaluate the potential use of biological control agents, thereby providing alternatives to chemical control methods. Matching money is appropriated.

(v) Local Volunteer Coordination

\$25,000	\$25,000
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This appropriation is for a grant to Polk county central cities community center to improve coordination between volunteer groups and resource managers, which can act as a model for other agencies. Matching money is appropriated.

(w) Accelerated Land Exchange

\$100,000	\$100,000
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Approved Complement - 2

To complete for presentation to the land exchange board a package for exchange of school trust fund lands in state parks and accelerate the exchange of school trust fund lands in the BWCA and other state units.

(x) Alternative Dispute Resolution

\$60,000	\$60,000
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	\$	1988	\$	1989
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Approved Complement - 1

To increase the understanding and utilization of alternative dispute resolution techniques.

(y) LAWCON Administration

\$40,000	\$40,000
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Approved Complement - 1

The appropriation is for administration of the federal land and water conservation fund.

Subd. 4. Pollution Control Agency	1,466,000	1,466,000
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Approved Complement - 12.8

Two of these positions are for contractual work with the department of natural resources in the groundwater sensitivity program.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Redesign Ambient Groundwater Monitoring Program

\$98,000	\$98,000
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Approved Complement - 1.5

To examine the current ambient groundwater monitoring program's shortcomings, analyze state and local groundwater quality information needs, and recommend an improved design for the statewide monitoring program.

(b) Minnesota River Basin Water Quality Monitoring

\$350,000	\$350,000
-----------	-----------

Approved Complement - 2

1988

1989

\$

\$

A joint effort of federal, state, and local government units that will assess mainstem, major tributary, and groundwater nonpoint source inputs to the Minnesota river for the purpose of targeting future water quality management programs. Equal match of state dollars is required, including local units of government coordinated through the south central planning project, who will provide in-kind service or local money to assist in data gathering. Matching money is appropriated.

(c) PCB's and Mercury in Public Waters

\$250,000

\$250,000

Approved Complement - 1

To identify the sources and pathways of PCB's to the St. Louis river and Mississippi river systems, Sand Point, and Crane Lake to develop processes and procedures to reduce the sources and conditions causing mercury accumulation in fish.

(d) Biological Manipulation of Wastewater Treatment Ponds

\$73,000

\$73,000

Approved Complement - 1

To determine what factors cause daphnia to thrive in some sewage stabilization ponds and not in others, in order to decrease sewage treatment costs.

(e) Municipal Solid Waste Materials Recovery

\$200,000

\$200,000

Approved Complement - 1

To determine the changes municipal solid waste undergoes when inciner-

1988

1989

\$

\$

ated and to measure how removing specific waste streams from municipal solid waste will affect the operation of incinerators.

(f) Medical Waste Incinerator Evaluation

\$125,000

\$125,000

Approved Complement - 1

To evaluate air and ash pollutants from medical waste incinerators to determine the variety and quantity of the pollutants and to determine what standard pollution control strategies are necessary and cost effective.

(g) Dioxin From Incinerator Emissions

\$148,000

\$148,000

Approved Complement - 1

To monitor and study the pathways dioxin travels from a waste incinerator into the human food chain, in order to evaluate and improve the existing health risk assessment model currently used in the environmental review and permitting process for incinerators.

(h) Household Batteries Recycling and Disposal

\$45,000

\$45,000

Approved Complement - 1

To study the impacts of battery management on the environment, alternative management methods or other identified research needs regarding the disposal of household batteries.

(i) Ash as Soil Amendment

\$50,000

\$50,000

	1988	1989
	\$	\$
Approved Complement - 3		

To research and promote the beneficial use of solid waste incinerator ash in agriculture.

(j) Health Risk Assessment Modeling for Composting

\$40,000	\$40,000
----------	----------

To develop a health risk assessment model for municipal waste compost and compare risks with other waste management methods.

(k) Contaminants in Minnesota Wildlife

\$87,000	\$87,000
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Approved Complement - 1

To determine the amount and extent of toxic contaminants in Minnesota wildlife.

Subd. 5. Department of Trade and Economic Development Recreation Grants Program

\$1,250,000	\$-0-
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The appropriation is for acquisition and development of recreation open space projects requested by local units of government. Priority is for projects that receive federal grants. This appropriation is for grants of up to 50 percent of the total cost, or 50 percent of the local share if federal money is used. The per project limit for state grants is \$400,000. During the biennium, notwithstanding any other law to the contrary, grants are not contingent upon the matching of federal grants. State grants are limited to one per local unit for the biennium.

One-half of this appropriation is for projects outside the metropolitan area.

	1988	1989
	\$	\$
Subd. 6. State Planning Agency	280,000	280,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Statewide Land Use Update

\$225,000 \$225,000

The appropriation is for a grant to the International Coalition to do a state-wide land use update of all land and water resources.

(b) Hydrologic Model Applications

\$55,000 \$55,000

The appropriation is for a grant to the International Coalition to produce a state-of-the-art tool for water decision making that combines standard watershed modeling and geographic information systems technology.

Subd. 7. Department of Health 369,000 369,000

Approved Complement - 2

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Pesticide Breakdown Products Survey

\$165,000 \$165,000

Approved Complement - 1

To identify the occurrence and level of pesticide breakdown products in selected public and private water wells.

(b) Abandoned Well and Monitoring Well Technologies

\$100,000 \$100,000

	1988	1989
	\$	\$
To research and apply technical methods used in the petroleum industry to remove obstructions from wells so that they can be properly abandoned, and to research and develop methods of detecting leaking monitoring wells.		

(c) Indoor Air Quality Assessment Protocol

\$54,000

\$54,000

Approved Complement - 1

To develop a method for assessing and mitigating indoor air quality problems in homes, and to transfer this information to the private sector for implementation.

(d) Community Lead Abatement Project

\$50,000

\$50,000

The appropriation is for a grant to the community lead abatement project to determine the benefits of cleanup of lead contaminated exterior and interior dust on children's blood levels.

Subd. 8. Department of Agriculture	295,000	295,000
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Approved Complement - 1

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Pesticide Use Survey

\$45,000

\$45,000

Approved Complement - 1

To develop an accurate map of pesticide use, through the use of surveys, and then compare that use with the distri-

	1988	1989
	\$	\$
bution and quality of the state's water resources.		

(b) Biological Control of Pests

\$250,000	\$250,000
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To collect and identify potential biological control agents, and to develop and test biological control agents for a variety of pests. A grant request to supplement this appropriation must be submitted to the U.S. Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

Subd. 9. Minnesota Historical Society	347,000	347,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) State History Center Exhibit Planning

\$100,000	\$100,000
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To plan exhibits for the new state history center. Matching money is appropriated.

(b) County and Local Historical Outreach

\$40,000	\$40,000
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To transfer preservation principles and options to county and local historical societies.

(c) Historical Data Base

\$50,000	\$50,000
----------	----------

The appropriation is to organize and automate one quarter of the collections, which will increase public awareness and significantly improve

	1988	1989
	\$	\$

management of these rare materials.
Matching money is appropriated.

(d) Heritage Trails

\$50,000	\$50,000
----------	----------

The appropriation is for a project to interpret and preserve historic trails for public use and tourism.

(e) Heirloom Seeds

\$20,000	\$20,000
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To provide a gardening and "heirloom seeds" interpretation for the Oliver H. Kelly farm. A by-product of this proposal will be the sale of "heirloom seeds." It is anticipated that sale of seeds will allow the program to be self-supporting. Matching money is appropriated.

(f) Preservation of Historic Shipwrecks

\$37,000	\$37,000
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To comply with federal law, a process must be developed to complete an extensive literature search of North Shore wrecks and gather available field data. Results will yield a plan for further exploration and historical designation of important wrecks.

(g) Implement Plan for Archaeological Resources.

\$50,000	\$50,000
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To develop a project with the Institute for Minnesota Archaeology and with the state archaeologist that will further aid in the development and identification of the state's archaeological resources. The project must be in accordance with Minnesota Statutes, sections 138.31 to 138.42 and 307.08.

	1988	1989
	\$	\$
Subd. 10. Science Museum of Minnesota	255,000	255,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Water Education for Minnesota

\$150,000 \$150,000

For a cooperative effort involving the Science Museum of Minnesota, the Freshwater Foundation, and the department of education to develop a program to better inform Minnesotans about crucial issues of water use and quality.

(b) North Central Minnesota Water Quality Education

\$75,000 \$75,000

For a contract with the central Minnesota water quality project to provide water quality education and information to 14 north central counties.

(c) Aquatic Invertebrate Data Base Development

\$30,000 \$30,000

To develop a central data base on aquatic invertebrates that are sensitive indicators of surface water quality.

Subd. 11. University of Minnesota	2,469,000	2,459,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Aeromagnetic Survey

\$315,000 \$315,000

The appropriation is to the Minnesota geological survey for the sixth and final biennium of an effort to electronically

	1988	1989
	\$	\$
acquire and interpret geophysical data, including ground truth-drilling.		

(b) Biogeochemical Prospecting

\$75,000	\$75,000
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The appropriation is to the Natural Resources Research Institute to address the relationship between heavy metals related to mineral deposits and bioconcentration of heavy metals in plants and mapping of the resulting vegetative differences using remote sensing techniques.

(c) Research in Taconite Refinement

\$100,000	\$100,000
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To the Natural Resources Research Institute to assist in the development of new methods to produce taconite concentrates acceptable as preferred ore for new steel-making technologies. This appropriation is contingent upon a \$50,000 match from the iron range resources and rehabilitation board.

(d) Program Design for Groundwater Research

\$10,000	\$-0-
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To develop plans and proposals to bring increased federal funding to the university for groundwater research, training, and information transfer.

(e) Program Design for Lake Superior Studies

\$25,000	\$25,000
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This appropriation is not available until the university has financed and submitted to the legislative commission on Minnesota resources a report on a study using outside consultants that recommends the appropriate research directions necessary to protect Lake

1988

1989

\$

\$

Superior. This appropriation is for a study by the University Natural Resources Research Council to determine the best way to organize the research work within the university structure.

(f) Land Use Impacts on Lake Superior

\$120,000

\$120,000

To the Natural Resources Research Institute to measure and model the impacts of changing land use practices on erosion rates, water quality, and biological communities on the near shore waters of Lake Superior. Matching funds must be applied for and the results reported to the legislative commission on Minnesota resources.

(g) County-Level Groundwater Data Management

\$43,000

\$43,000

The appropriation is to the Minnesota geological survey to provide tools and training to counties that want an enhanced capability to use the computerized county well index in local water planning.

(h) Chemical Transport in Groundwater

\$150,000

\$150,000

The appropriation is for the civil and mineral engineering department to develop, test, and implement interactive models to simulate groundwater transport of chemicals.

(i) Lake Aeration Techniques and Hydrologic Forecasting

\$414,000

\$414,000

The appropriation is for the St. Anthony Falls Hydraulics Laboratory to conduct engineering and hydraulics

	1988	1989
	\$	\$

research in three water resource areas: (1) \$338,000 to optimize lake aeration techniques; (2) \$440,000 to develop forecast methods for: groundwater, hydropower effects on water quality, operation of wastewater treatment ponds, and for ice-induced flooding; and (3) \$50,000 to test several new techniques for measurement of ice in rivers and lakes.

(j) Wetland Plant Communities

\$45,000

\$45,000

The appropriation is for the College of Natural Resources for research to identify the optimal mix of plants that remove nutrients from wetlands. A grant application must be submitted to the National Science Foundation and the Environmental Protection Agency to supplement this appropriation and the results reported to the legislative commission on Minnesota resources.

(k) Water Filter for Iron Removal

\$14,000

\$14,000

The appropriation is to the Institute of Technology for the development of a cost-effective membrane system for removing iron from water so the processed water can be used in a variety of industrial and domestic situations where high iron content is undesirable. A grant application must be submitted to the National Science Foundation to supplement this appropriation and the results reported to the legislative commission on Minnesota resources.

(l) Simulation of Future Forestry Economy

\$50,000

\$50,000

The appropriation is to the College of Natural Resources to develop methods

1988

1989

\$

\$

and evaluate opportunities for supporting forest land economic development in Minnesota from a statewide strategic viewpoint.

(m) Oak Wilt Research

\$44,000

\$44,000

The appropriation is to the College of Natural Resources for research aimed at biological control of oak wilt using a special fungus, improvement of root barriers to limit spread of the disease, and an educational program on how best to control oak wilt. If this work results in a patent and subsequent royalties, the university shall repay 50 percent of the royalties received, net of patent servicing costs, until the entire appropriation is repaid, into the Minnesota future resources fund.

(n) Lignin-Based Engineering Plastics

\$54,000

\$54,000

The appropriation is to the College of Natural Resources for fabricating engineering plastics based upon industrial by-product lignins and corresponding raw materials from wheat straw. If this work results in a patent and subsequent royalties, the university shall repay 50 percent of the royalties received, net of patent servicing costs, until the entire appropriation is repaid, into the Minnesota future resources fund.

(o) High Flotation Tire Research

\$20,000

\$20,000

The appropriation is to the College of Natural Resources in cooperation with the Mille Lacs Area Community Development Corporation for a grant to study the impact of high flotation tires on soil and regeneration of aspen and

	1988	1989
	\$	\$

evaluate the economic feasibility of installing and using this equipment.

(p) Aquaculture Development and Education

\$100,000

\$100,000

The appropriation is to the College of Natural Resources for development of aquaculture demonstration projects and education.

(q) Sonar Measurement of Fish Population

\$30,000

\$30,000

The appropriation is to the College of Biological Sciences to develop electronic procedures for measuring the abundance of fish in lakes and for preparing lake maps.

(r) Accelerated Soil Survey

\$600,000

\$600,000

The appropriation is to the agricultural experiment station for the seventh biennium of a seven-biennium effort to provide the appropriate detailed survey based on the adopted federal, state, and local cost share. It may be spent only in counties where the survey was under way or the agreement signed and survey scheduled by July 1, 1988.

(s) Test Emissions from Densified-RDF

\$75,000

\$75,000

The appropriation is to the Natural Resources Research Institute to study emissions at the bench scale from incinerated densified refuse derived fuel and to develop baseline combustion data.

	1988	1989
	\$	\$
(t) Peat for Containment of Municipal Incinerator Ash		
\$75,000	\$75,000	

The appropriation is to the Natural Resources Research Institute to work in cooperation with the pollution control agency and the department of natural resources to design a passive containment system for municipal incinerator ash using peat. The institute must apply to the Minnesota Waste Management Association for financial support.

(u) Evaluation of Peat in Poultry Waste Treatment

\$65,000	\$65,000
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The appropriation is to the Natural Resources Research Institute to develop environmentally sound treatment methods utilizing peat for the disposal and recycling of poultry wastes and to integrate these processes into manure management systems.

(v) Urban Gardening Program

\$45,000	\$45,000
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The appropriation is to the Minnesota extension service in cooperation with the Minnesota State Horticultural Society and the Self Reliance Center to provide gardening information and technical assistance in community gardening.

Subd. 12. State University Board	215,000	215,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Groundwater Quality Assessment Procedure

\$45,000	\$45,000
----------	----------

	1988	1989
	\$	\$

The appropriation is for Bemidji state university to develop a procedure for the assessment of regional groundwater quality based on the usual sources of available groundwater data in the Mississippi headwaters region.

(b) Pilot County Groundwater Mapping

\$170,000

\$170,000

The appropriation is for Mankato state university to develop a groundwater atlas and information system for 13 counties to be used as a tool for state and local government and provide education on groundwater.

Subd. 13. Contingent Account

500,000

500,000

This appropriation is for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting with the governor and provide its recommendation on each item, which may be spent only with the approval of the governor.

Subd. 14. Compatible Data

During the biennium ending June 30, 1991, the data collected by projects funded under this section that has com-

1988

1989

\$

\$

mon value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by the activity receiving funding under this section. This requirement applies to all projects funded under this section, including but not limited to, projects under subdivision 3, clauses (c), (e), (g), (h), (k), (r), and (t), subdivision 4, clauses (a) and (b), subdivision 5, clauses (a) and (b), subdivision 7, clause (a), subdivision 8, clause (h), subdivision 9, clause (c), subdivision 10, clauses (a), (g), (h), and (r), subdivision 11, clause (b).

Subd. 15. Work Programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit work programs and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in this section may be spent unless the commission has approved the pertinent work program.

Subd. 16. Complement Temporary

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

Sec. 31. LABOR AND INDUSTRY

	1988	1989
	\$	\$
Subdivision 1. Total Appropriation	16,087,000	15,951,000
1990	1991	
Approved Complement -		
332	332	
General -		
63	63	
Special Revenue -		
40	40	
Federal -		
38.5	38.5	
Workers' Compensation -		
190.5	190.5	

Summary by Fund

General		
\$5,837,000	\$5,871,000	
Worker's Comp.		
\$8,713,000	\$8,543,000	
Special Revenue		
\$1,537,000	\$1,537,000	

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

Subd. 2. Employment Standards

\$717,000 \$717,000

Subd. 3. Workers' Compensation Regulation and Enforcement

\$6,241,000 \$6,150,000

This appropriation is from the special compensation fund.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with the commissioner must be deposited in the general fund.

\$197,000 the first year and \$197,000 the second year are from the special

	1988	1989
	\$	\$

compensation fund for enforcement of the mandatory insurance requirements contained in Minnesota Statutes, chapter 176.

Funding for the file administration improvements is contingent on the department agreeing to participate in the information policy office's optical disk scanning study. The file administration improvements appropriation is a one-time appropriation.

Subd. 4. Workers' Compensation Special Compensation Fund

\$2,500,000	\$2,500,000
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This is a general fund appropriation for reimbursement of the special compensation fund under Minnesota Statutes, section 176.183, subdivision 2.

Subd. 5. Code Enforcement

\$1,511,000	\$1,511,000
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This appropriation is from the special revenue fund.

\$131,000 the first year and \$131,000 the second year are from the special revenue fund for passenger elevator inspection.

Subd. 6. OSHA

\$1,307,000	\$1,310,000
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Subd. 7. General Support

\$2,336,000	\$2,288,000
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Summary by Fund

General

\$ 936,000	\$ 967,000
------------	------------

Workers' Comp.

\$1,400,000	\$1,321,000
-------------	-------------

	\$	1988	\$	1989
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\$225,000 the first year and \$225,000 the second year are for labor education and advancement program grants. Notwithstanding Laws 1983, chapter 301, section 32, the commissioner of labor and industry shall develop and implement an application process for organizations seeking to receive funding from the labor education advancement program. Criteria for selection of grant recipients shall include but not be limited to the number of minority people served and the ability of organizations to match the state money with nonstate resources.

Subd. 8. Information Management Services

\$1,475,000	\$1,475,000
-------------	-------------

Summary by Fund

General	\$ 377,000	\$ 377,000
Workers' Comp.	\$1,072,000	\$1,072,000
Special Revenue	\$ 26,000	\$ 26,000

Funding is included from the special workers' compensation fund in this appropriation for computer system restructuring.

Sec. 32. WORKERS' COMPENSATION COURT OF APPEALS

824,000	823,000
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Approved Complement - 15

This appropriation is from the workers' compensation special compensation fund.

Sec. 33. MEDIATION SERVICES

1,775,000	1,780,000
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Approved Complement - 25

\$287,000 the first year and \$287,000 the second year are for grants to area

	1988	1989
	\$	\$
labor-management committees. The unencumbered balance remaining in the first year does not cancel but is available for the second year.		

Sec. 34. PUBLIC EMPLOYMENT RELATIONS BOARD

	65,000	65,000
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Approved Complement - 1

Sec. 35. MILITARY AFFAIRS

Subdivision 1. Total Appropriation	8,530,000	9,523,000
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Approved Complement -	340.8
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General -	137.8
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Federal -	203
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

\$5,559,000	\$5,559,000
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\$100,000 the first year and \$100,000 the second year are for six general fund positions to support the federal construction program.

Notwithstanding any law to the contrary the department of military affairs may use up to \$1,450,000 of the proceeds from the sale of the Minneapolis armory for roof repairs, window replacements, and boiler replacements at state armories. If the adjutant general determines that the sale of the Minneapolis armory will occur during the biennium, the adjutant general may transfer funds from the regular armory maintenance funding into the repairs and replacements of roofs, windows, and boilers at state armories.

	1988	1989
	\$	\$

The adjutant general shall seek to include in the governor's capital bonding requests for 1990 and 1991 funding for roof replacements and window replacements at state armories.

Subd. 3. General Support

\$1,399,000	\$1,393,000
-------------	-------------

\$75,000 the first year and \$75,000 the second year are for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Enlistment Incentives

\$1,572,000	\$2,571,000
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\$1,070,000 the first year and \$2,225,000 the second year are for the tuition reimbursement program.

\$477,000 the first year and \$321,000 the second year are for the reenlistment bonus program.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available.

The amounts appropriated for tuition assistance and bonuses in Laws 1988, chapter 686, article 1, section 21, do not cancel and are available for the purposes for which they were appropriated. Funding for the tuition assistance and reenlistment bonus programs are available until expended. If funding for either year of the biennium is insufficient, the other year's appropriation is available.

Sec. 36. VETERANS AFFAIRS

3,012,000	2,612,000
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		1988	1989
		\$	\$
	1990		
	1991		
Approved Complement -			
	38		38

Up to \$400,000 is appropriated for the commissioner of veterans affairs for the purposes of creating a Minnesota Vietnam veterans memorial on the capitol mall. This appropriation is available until expended. The capitol area architectural and planning board shall conduct a selection process to award the contracts for design and construction of the memorial. The capitol area architectural and planning board shall also select a site for the memorial. No contract for construction shall be entered into by the board until after the board has received recommendations on the cost, design, and placement of the memorial from the chairs of the house appropriations and senate finance committees.

There is no funding, nor shall any funds be spent, for the position of commissioner of veterans affairs. All duties and responsibilities assigned to the commissioner are transferred to the deputy commissioner of veterans affairs.

During the biennium, in administering veterans benefits programs the commissioner shall ensure that veterans participate in all federally funded benefit programs to the maximum extent possible before receiving assistance under state funded programs.

\$1,150,000 the first year and \$1,150,000 the second year are for emergency financial and medical needs of veterans. For the biennium ending June 30, 1991, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. If the

	1988	1989
	\$	\$

appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 37. HUMAN RIGHTS	2,817,000	2,677,000
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Approved Complement -	65.5	
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General -	64.0	
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Federal -	1.5	
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\$140,000 the first year is a one-time appropriation for development of an information system, and is available either year of the biennium.

During the biennium reductions in staff in the human rights department shall be accomplished through attrition and the elimination of vacant positions.

Sec. 38. INDIAN AFFAIRS COUNCIL	323,000	303,000
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Approved Complement -	6	
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General -	6	
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Federal -	0	
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Sec. 39. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	200,000	180,000
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Approved Complement -	4	
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Sec. 40. COUNCIL ON BLACK MINNESOTANS	181,000	161,000
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Approved Complement -	3.5	
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Sec. 41. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	163,000	143,000
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Approved Complement -	3	
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Sec. 42. COUNCIL ON PEOPLE WITH DISABILITIES	480,000	460,000
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	\$	1988	\$	1989
Approved Complement -		10		

Notwithstanding any law to the contrary the two incumbents transferred from the council on technology for people with disabilities to the Minnesota council on disabilities shall continue in their same positions with the same responsibilities. The department of employee relations shall reclassify the positions within the disabilities council to reflect the transfers.

Sec. 43. SALARY SUPPLEMENT	43,686,000	89,028,000
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Subdivision 1. Appropriations

Except as limited by the direct appropriations made in this section, the amounts necessary to pay compensation and economic benefit increases covered by this section are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1990, and June 30, 1991. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

(a) General Fund

\$29,964,000	\$60,836,000
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(b) Game and Fish Fund

\$ 1,369,000	\$ 2,807,000
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(c) Trunk Highway Fund

\$11,520,000	\$23,620,000
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(d) Highway User Tax Distribution Fund

\$ 301,000	\$ 618,000
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	1988	1989
	\$	\$
(e) Workers' Compensation		
	\$532,000	\$1,147,000

Subd. 2. Increases Covered

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees and officers in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society who are paid from state appropriations, if the increases are required by existing law or authorized by law during the 1989 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations under Minnesota Statutes, sections 3.855 and 43A.18 or 179A.22, subdivision 4.

The commissioner of finance shall transfer to the appropriations for agencies in the legislative and judicial branches and for the constitutional officers the amounts certified as necessary for each agency by its chief financial officer. For the purposes of this paragraph, the secretary of the senate is the chief financial officer for the senate, the chairman of the legislative coordinating commission for legislative commissions, the chief justice of the supreme court for agencies in the judicial branch, and the elected constitutional officer for each constitutional office.

The salaries for positions listed in Minnesota Statutes, section 15A.081, subdivision 1, which were given interim approval by the legislative commission on employee relations on December 20, 1988, are ratified, retroactive to January 1, 1989.

1988

1989

\$

\$

The salary increase for a position listed in Minnesota Statutes, section 15A.081, subdivision 1, must not be more than the average negotiated increase for state employees in the classified service.

Within the provisions of the managerial plan approved under Minnesota Statutes, section 43A.18, an agency may not authorize aggregate performance increases for its managers that exceed an average of four percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.

The metropolitan council or a metropolitan commission or board may not authorize aggregate performance increases for its managers that exceed an average of four percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.

Subd. 3. Notice

During the biennium, the commissioner of finance shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account.

Sec. 44. GENERAL CONTINGENT ACCOUNTS

675,000

675,000

The appropriation from the general fund is only available to the extent that the unreserved fund balance of the gen-

1988 1989
\$ \$

eral fund on July 1, 1989, is greater than was estimated at the time this act was enacted.

The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$250,000	\$250,000	
Highway User	\$125,000	\$125,000	
Trunk Highway	\$200,000	\$200,000	
Workers' Comp.	\$100,000	\$100,000	
Sec. 45. TORT CLAIMS		919,000	919,000

To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$303,000	\$303,000	
Game and Fish	\$ 16,000	\$ 16,000	
Trunk Highway	\$600,000	\$600,000	
Sec. 46. MINNESOTA STATE RETIREMENT SYSTEM		7,943,000	8,468,000

1988

1989

\$

\$

The amounts estimated to be needed for each program are as follows:

(a) Legislators

\$2,258,000 \$2,371,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

(b) Judges

\$5,500,000 \$5,900,000

Under Minnesota Statutes, sections 490.106; and 490.123, subdivision 1.

(c) Constitutional Officers

\$168,000 \$180,000

Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

(d) State Employee Supplemental Benefits

\$17,000 \$17,000

Under Minnesota Statutes, section 352.73.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 47. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

14,000

14,000

This appropriation is for supplemental benefits under Minnesota Statutes, section 353.83.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

	1988	1989
	\$	\$
Sec. 48. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	10,415,000	10,475,000

The appropriation is to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 49. POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS FUND	773,000	773,000
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This appropriation is for payment to the Minneapolis employees retirement fund for postretirement adjustments.

Sec. 50. POLICE AND FIRE AMORTIZATION AID	4,517,000	4,517,000
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The appropriation is to the commissioner of revenue for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, under Minnesota Statutes, section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

The reduction in amortization aid for police and fire relief associations is the result of changes in interest and income assumptions for police and fire relief association funds in cities of the first class with over 300,000 population. Amortization aid shall be distributed for all other police and fire relief associations in the normal manner.

Sec. 51. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by

program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on appropriations of the house of representatives before making a transfer under subdivision 1.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 52. Minnesota Statutes 1988, section 3.099, subdivision 3, is amended to read:

Subd. 3. [LEADERS.] The senate committee on rules and administration for the senate and the house committee on rules and legislative administration for the house may each designate for their respective body up to three leadership positions to receive up to 140 percent of the compensation of other members.

At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.

The majority leader is the person elected by the caucus of members in each house which is its largest political affiliation. The minority leader is the person elected by the caucus which is its second largest political affiliation.

Sec. 53. Minnesota Statutes 1988, section 13.33, is amended to read:

13.33 [ELECTED OFFICIALS; CORRESPONDENCE AND TELEPHONE RECORDS; PRIVATE DATA.]

Correspondence and records of telephone calls between individuals and elected officials is are private data on individuals, but may be made public by either the sender, caller, or the recipient.

Sec. 54. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners," except for the department of trade and economic development where the head of the department is the deputy commissioner for community development and the department of veterans affairs where the head of the department is the deputy commissioner for veteran services.

Sec. 55. Minnesota Statutes 1988, section 15.50, subdivision 2, is amended to read:

Subd. 2. (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, herein called the area which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to the south line of the right-of-way of Interstate Highway 94, a point 50 feet south of the south line of Concordia Avenue, thence easterly southeasterly along a line extending 50 feet from the south line to the centerline of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the centerline west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the junction of Dayton Avenue, Kellogg Boulevard, the intersection of Old Kellogg Boulevard and Summit Avenue, thence easterly along the centerline of Summit Avenue to the centerline of Sixth Street, thence southeasterly along the centerline of Sixth Street to the centerline of College Avenue, thence northeasterly along the centerline of College Avenue extended to the centerline of Rice Street, thence northwesterly along the centerline of Rice Street to the centerline of Summit Avenue, thence northerly along a line extended to the north line of the right-of-way of Interstate Highway 94, thence easterly along the north line to thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the east line of the

right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the centerline west line of Cedar Street, thence southeasterly along the centerline west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. Pursuant to the comprehensive plan, or any portion thereof, the board may regulate, by means of zoning rules adopted pursuant to the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty and architectural integrity of the area. No person shall undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtained a zoning permit from the board and received a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request reports for their planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall be built or altered on any public lands within the area unless the plans for the same conforms to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public

building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such competition shall be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota and the board may award one or more premiums in each such competition and may pay such costs and fees as may be required for the conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such plans have been considered by the advisory committee described in clause (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall not adopt any plan under clause (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall not be contestants under clause (e). The comments and criticism shall be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:

(1) the committee shall be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same are developed or in the process of preparation whether by the commissioner of administra-

tion, the deputy commissioner of trade and economic development for community development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area. A copy of any such data prepared by any public employee or agency shall be filed with the board promptly upon completion;

(2) the board may employ such stenographic or technical help as may be reasonable to assist the committee to perform its duties;

(3) when so directed by the board, the committee may serve as, and any member or members thereof may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; and

(4) the city of St. Paul shall advise the board.

(g) The comprehensive plan for the area shall be developed and maintained in close cooperation with the deputy commissioner of trade and economic development for community development and the planning department and the council for the city of Saint Paul and the board of the arts, and no such plan or amendment thereof shall be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, the board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase or eminent domain proceedings any real property situated in the area described in this section and

it shall also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and acts amendatory thereof.

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs of which such part as the commissioner of administration and deputy commissioner of veterans affairs for veterans services may mutually determine shall be on the first floor above the ground and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available to such other state departments and agencies as the commissioner may deem desirable.

Sec. 56. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of jobs and training;

Commissioner of employee relations;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of public safety;

Commissioner of trade and economic development;

Chair, waste management board;

Chief administrative law judge; office of administrative hearings;

Commissioner, pollution control agency;

Commissioner, state planning agency;

Deputy commissioner of trade and economic development for community development;

Executive director, housing finance agency;

Executive director, public employees retirement association;

Executive director, teacher's retirement association;

Executive director, state retirement system;

Chair, metropolitan council;

Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans' affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Deputy commissioner of veterans affairs for veteran services;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 57. Minnesota Statutes 1988, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. [BY MAY 1 AND SEPTEMBER 1.] Each even-numbered calendar year the commissioner shall prepare the budget for all agencies, subject to the approval of the governor. The commissioner shall consult with the chairs of the senate finance committee and house of representatives appropriations committee, as well as their respective division chairs, before adopting a format for the biennial budget document. By May 1, the commissioner shall send the proposed budget forms to the appropriations and finance committees and receive. The committees have until June 1 to give the commissioner their advisory recommendations on possible improvements. By September 1, the commissioner shall send each agency enough forms to make its budget estimates. The forms must show actual expenditures and receipts for the two most recent fiscal years, estimated expenditures and receipts for the current fiscal

year, and estimates for each fiscal year of the next biennium, and an estimated appropriation balance at the end of the current fiscal year. Estimated expenditures must be classified by funds and character of expenditures and may be subclassified by programs and activities. Agency revenue estimates must show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 58. Minnesota Statutes 1988, section 16A.123, is amended by adding a subdivision to read:

Subd. 5. [DEPARTMENT OF NATURAL RESOURCES COMPLEMENT.] (a) Beginning with the biennium ending June 30, 1991, the legislature shall establish complements for the department of natural resources based on the number of full-time equivalent positions and dollars appropriated for salary-related expenditures.

The commissioner of natural resources shall provide a biennial report indicating the distribution of the full-time equivalents for the previous biennium as a supplement to the agency's biennial budget request for succeeding bienniums. The biennial budget document submitted to the legislature by the governor beginning with the 1992-1993 biennium shall indicate, by activity, the number of full-time equivalent positions included as base level and recommended changes. The governor's salary requests for the agency shall include all full-time, part-time, and seasonal dollars requested. Any change level request submitted to the legislature for consideration by the governor as part of the governor's biennial budget containing funding for salaries shall indicate the number of additional full-time equivalent positions and salary dollars requested.

Within the full-time equivalent number and amount of salary dollars appropriated for the department, the commissioner shall have the authority to establish as many full-time, part-time, or seasonal positions as required to accomplish the assigned responsibilities for the department. The commissioner shall have the authority to reallocate salary dollars for other operating expenses, but the commissioner shall not have authority to reallocate other operating funds to increase the total amount appropriated for salary-related expenses, including salary supplement, without receiving prior approval according to the process defined in this subdivision.

In the event that the commissioner finds it necessary to exceed the full-time equivalent number or the amount of appropriated dollars and the legislature is not in session, the commissioner shall seek approval of the legislative advisory commission under subdivision 4. Legislative advisory commission approved full-time equivalent po-

sitions and dollars shall not become a part of the agency budget base unless authorized by the legislature.

(b) This subdivision does not apply to emergency firefighting crews. Subdivisions 1, 2, and 3 do not apply to the department of natural resources.

Sec. 59. Minnesota Statutes 1988, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. ~~[CREDIT UNION; ORGANIZATION; COMPANY PAYROLL DIRECT DEPOSIT AND DEDUCTIONS.]~~ An agency head may, with in the executive, judicial, and legislative branch may, upon the written request of signed by an employee, directly deposit all or part of an employee's pay in any credit union or financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to any state employees' credit union, or the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of or has accounts with more than one such credit union or financial institution or more than one such organization under section 179A.06, or is insured by more than one company, only one credit union or financial institution and one organization and one company may be paid money by direct deposit or by payroll deduction from the employee's pay. No deduction may be made from the salary of an employee for payment to a credit union or organization or company unless 100 employees request deductions for payment to the credit union or organization or company. The 100 employee minimum does not apply to credit unions and organizations which received authorized payroll deduction payments on June 5, 1971.

Sec. 60. Minnesota Statutes 1988, section 16B.24, subdivision 6, is amended to read:

Subd. 6. ~~[PROPERTY RENTAL.]~~ (a) ~~[LEASES.]~~ The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area

architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

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

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

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 61. [16B.465] [STATEWIDE TELECOMMUNICATIONS ACCESS ROUTING SYSTEM.]

Subdivision 1. [CREATION.] The statewide telecommunications access routing system provides voice, data, video, and other telecommunications transmission services to state agencies, educational institutions, public corporations, and state political subdivisions. It is not a telephone company for purposes of chapter 237. It shall not resell or sublease any services or facilities to nonpublic entities. The commissioner has the responsibility for planning, development, and operations of a statewide telecommunications access routing system in order to provide cost-effective telecommunications transmission services to system users.

Subd. 2. [ADVISORY COUNCIL.] The statewide telecommunications access routing system is managed by the commissioner. Subject to section 15.059, subdivisions 1 to 4, the commissioner shall appoint an advisory council to provide assistance in implementing a statewide telecommunications access routing system. The council consists of:

(1) one member appointed by the higher education advisory council established by section 136A.02, subdivision 6;

(2) the system heads, or their designees, of the University of Minnesota, the state university system, the community colleges system, and the board of vocational technical education; and

(3) five members appointed by the governor or the governor's designee or designees, four of whom must be agency heads or their designees or representatives of political subdivisions.

No member of the advisory council may be a vendor of telecommunications equipment or services or an employee or representative of a vendor.

Subd. 3. [DUTIES.] The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through the statewide telecommunications access routing system revolving fund;

(2) appoint a chief executive officer of the system to serve in the unclassified service;

(3) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(4) set rates and fees for services;

(5) approve contracts relating to the system; and

(6) develop the system plan, including plans for the phasing of its implementation and maintenance of the initial system, and the annual program and fiscal plans for the system.

Subd. 4. [RULES.] The commissioner shall adopt rules for the operation of this program. The rules must require participation of state agencies and higher education institutions in the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of the department of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

Subd. 5. [REVOLVING ACCOUNT.] The statewide telecommunications access routing system revolving account is a separate account for the department of administration in the state treasury for the receipt of and payment of funds for the statewide telecommunications access routing system established in subdivision 1. Money appropriated to the account and fees for communications services provided by the statewide telecommunications access rout-

ing system must be deposited in the account. Money in the account is appropriated annually to the commissioner to operate the state-wide telecommunications access routing system.

Subd. 6. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by section 16B.07, subdivision 2.

Sec. 62. Minnesota Statutes 1988, section 16B.61, subdivision 5, is amended to read:

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

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

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

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

(e) [SYMBOL INDICATING ACCESS.] The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds

which are accessible to and usable by handicapped persons. In the interests of uniformity, this symbol in its white on blue format is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the council on disability. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the state building code.

(f) [MUNICIPAL ENFORCEMENT.] Municipalities which have not adopted the state building code may enforce the building code requirements for handicapped persons by either entering into a joint powers agreement for enforcement with another municipality which has adopted the state building code; or contracting for enforcement with an individual certified under section 16B.65, subdivision 3, to enforce the state building code.

(g) [EQUIPMENT ALLOWED.] The code must allow the use of vertical wheelchair lifts, inclined stairway wheelchair lifts, and inclined stairway chair lifts in public buildings. An inclined stairway wheelchair lift and an inclined stairway chair lift must be equipped with light and sound signaling devices for use during operation of the lift. The stairway or ramp must be marked in a bright color that clearly indicates the outside edge of the lift when in operation. The code must not require a guardrail between the lift and the stairway or ramp. Compliance with this provision by itself does not mean other handicap accessibility requirements have been met.

Sec. 63. Minnesota Statutes 1988, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in subdivisions 1 to 8, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency, except for the department of trade and economic development and the department of veterans affairs where the salaries for the deputy commissioner for community development and the deputy commissioner for veteran services are the upper

limit of compensation. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 64. Minnesota Statutes 1988, section 84.0272, is amended to read:

84.0272 [PROCEDURE IN ACQUIRING LANDS.]

When the commissioner of natural resources is authorized to acquire lands or interests in lands the procedure set forth in this section shall apply. The commissioner of natural resources shall first prepare a fact sheet showing the lands to be acquired, the legal authority for their acquisition, and the qualities of the land that make it a desirable acquisition. The commissioner of natural resources shall cause the lands to be appraised. An appraiser shall before entering upon the duties of office take and subscribe an oath to faithfully and impartially discharge the duties as appraiser according to the best of the appraiser's ability and that the appraiser is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon or in the sale thereof and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall be attached to the report of the appraisal. The commissioner of natural resources may pay less than the appraised value, but shall not agree to pay more than the appraised value, except that if the commissioner pays less than the appraised value for a parcel of land, the difference between the purchase price and the appraised value may be used to apply to purchases at more than the appraised value. The sum of accumulated differences between appraised amounts and purchases for more than the appraised amount may not exceed the sum of accumulated differences between appraised amounts and purchases for less than the appraised amount. New appraisals may be made at the discretion of the commissioner of natural resources.

Sec. 65. Minnesota Statutes 1988, section 84.0274, is amended by adding a subdivision to read:

Subd. 8. [EXCEPTION FOR RAILROAD RIGHT-OF-WAY ACQUISITIONS.] This section does not apply to acquisition of an abandoned railroad right-of-way by the commissioner from a railroad, railroad holding company, or similar entity.

Sec. 66. Minnesota Statutes 1988, section 84.084, is amended to read:

84.084 [TRANSFER OF FUNDS.]

Subdivision 1. The commissioner may authorize the performance of services for any division by any other division or by the department staff, and, with the approval of the commissioner of administration, may require appropriate transfers of funds to compensate for the cost of such service.

Subd. 2. A department of natural resources professional services support account is created in the special revenue fund. The costs of support services provided by this account must be reimbursed by billings to the various programs based on services provided. Reimbursements must be credited to this account and this money is appropriated to the commissioner to provide professional services support. This account is exempted from statewide and agency indirect cost payments.

Sec. 67. [84.0921] [EURASIAN WATER MILFOIL EDUCATION AND MANAGEMENT.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "Eurasian water milfoil" means *myriophyllum spicatum*.

Subd. 2. [INVENTORY.] The commissioner of natural resources shall inventory and monitor the growth of Eurasian water milfoil on lakes in the state. The commissioner may use volunteers to aid in the inventory effort.

Subd. 3. [EDUCATION.] The commissioner shall publish and distribute informational materials to lakeshore owners and boaters on the control problems of Eurasian water milfoil.

Subd. 4. [MANAGEMENT.] The commissioner shall coordinate a control program to manage the growth of Eurasian water milfoil with appropriate local units of government, special purpose districts, and lakeshore associations. Technical assistance may be provided by the commissioner upon request.

Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the Freshwater Foundation and the University of Minnesota freshwater biological institute to study the use of non-chemical methods, including biological control agents, for control of Eurasian water milfoil.

Sec. 68. [84.98] [MINNESOTA CONSERVATION CORPS.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota conservation corps is established and is under the supervision of the commissioner of natural resources.

Subd. 2. [PLAN.] (a) The commissioner of natural resources shall develop a plan for the Minnesota conservation corps to provide:

(1) equal opportunities of employment for youths with preference given to youths who are economically, socially, physically, or educationally disadvantaged and youths residing in areas of substantial unemployment;

(2) equal opportunity for female and male youths;

(3) summer youth programs and year-round young adult programs;

(4) ways in which exclusive bargaining representatives are to be involved in regard to the planning and implementation of positions and job duties of persons employed in projects;

(5) methods for coordinating the programs of the Minnesota conservation corps with other publicly authorized or subsidized programs in cooperation with the commissioners of education and jobs and training, the governor's job training council, and other state and local youth service and education entities;

(6) programs for participants to be assisted in gaining employment or training upon completing the projects, including, where feasible, in cooperation with the department of jobs and training and educational agencies, arranging for career assessment and planning services designed to enhance participant transition from the Minnesota conservation corps to future employment or education;

(7) a remedial education component utilizing, as resources permit and where feasible, the services of the department of jobs and training and educational agencies including instruction in life skills and basic remedial skills for participants who are deficient in the skills or who have not completed high school;

(8) the manner of allocating the services of Minnesota conservation corps members to the various divisions of the department of natural resources, to other state, local, and federal governmental conservation and natural resource managers, and to federally recognized Indian tribes or bands;

(9) standards of conduct and other operating guidelines for Minnesota conservation corps members; and

(10) a determination of preference for projects that will provide long-term benefits to the public, will provide productive work and public service experience to Minnesota conservation corps members, will be primarily labor intensive, and will provide a significant return on taxpayer investment.

(b) The commissioner shall establish the plan notwithstanding chapters 3 and 14.

Subd. 3. [CRITERIA FOR DETERMINING ECONOMIC, SOCIAL, PHYSICAL, OR EDUCATIONAL DISADVANTAGE.] (a) The criteria for determining economic, social, physical, or educational disadvantage shall be determined as provided in this subdivision.

(b) Economically disadvantaged are persons who meet the criteria for disadvantaged established by the department of jobs and training or person receiving services provided by the department of human services such as welfare payments, food stamps, and aid to families with dependent children.

(c) Socially disadvantaged are persons who have been classified as persons in need of supervision by the court system.

(d) Physically disadvantaged are persons who have been identified as having special needs by public agencies that deal with employment for the disabled.

(e) Educationally disadvantaged are persons who have dropped out of school or are at risk of dropping out of school and persons with learning disabilities or in need of special education classes.

Subd. 4. [REQUIREMENTS FOR ELIGIBILITY FOR ENROLLMENT IN THE CORPS.] A person is eligible to enroll in the Minnesota conservation corps if the person is:

(1) a permanent resident of the state;

(2) unemployed or underemployed;

(3) at least age 15, but not older than age 26 years;

(4) free from medical or behavioral problems that would render an individual unable to adjust to the standards, discipline, or requirements of the corps; and

(5) in the young adult program, the person must have a high school diploma or equivalent, or agree to work towards a high school diploma or equivalent while participating in the program.

Subd. 5. [CORPS MEMBER STATUS.] Minnesota conservation corps members are not eligible for unemployment compensation or other benefits except workers' compensation, and are not employees of the state within the meaning of section 43A.02, subdivision 21.

Subd. 6. [FEES.] The commissioner may charge a fee for any service performed by the Minnesota conservation corps.

Subd. 7. [LIMITATIONS ON MINNESOTA CONSERVATION CORPS PROJECTS.] Each employing agency must certify that the assignment of Minnesota conservation corps members will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Supervising agencies that participate in the program may not terminate, lay off, reduce the seasonal hours, or reduce the working hours of any employee for the purpose of using a corps member with available funds. The positions and job duties of persons employed in projects shall be submitted to affected exclusive representatives prior to actual assignment.

Subd. 8. [EXPENDITURE OF CORPS FUNDS.] The commissioner shall allocate money received for Minnesota conservation corps work projects. An appropriation from a special revenue fund or account to the commissioner for Minnesota conservation corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 69. [84.99] [WORK CREWS; ALLOCATION OF FUNDS.]

The commissioner of natural resources is authorized to provide work crews to the 14 forested counties that operate land departments under chapter 282. Any money appropriated for these crews must be used for forestry-related programs using participants of the Minnesota conservation corps.

The money must be apportioned to the counties in the proportion that each county's managed commercial forest land is to the managed commercial forest land in all 14 counties. If a county does not use all of its share, the commissioner shall reallocate the balance to those of the 14 counties whose Minnesota conservation corps program was not fully supported by the first allocation for either year. The reallocation must be based on the proportion that commercial forest lands in each county to receive the reallocated money is to the managed commercial forest land in all of the counties receiving a reallocation.

Sec. 70. Minnesota Statutes 1988, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. The Minnesota zoological garden is established under the supervision and control of the Minnesota zoological board. The board consists of 30 ~~public and private sector~~ members ~~having who are members of a zoological society or who have shown a background or interest in zoological such societies or in zoo management or have shown an ability to generate community interest in the Minnesota zoological garden. Fourteen Fifteen~~ members shall

be appointed by the board after consideration of a list supplied by board members serving on a nominating committee, and 15 members shall be appointed by the governor. One member of the board must be a resident of Dakota county and shall be appointed after consideration of the recommendation of the Dakota county board. Board appointees shall not be subject to the advice and consent of the senate.

To the extent possible, the board and governor shall appoint members who are residents of the various geographic regions of the state. Terms, compensation, and removal of members are as provided in section 15.0575. In making appointments, the governor and board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota zoological garden. One member shall be appointed by the Dakota county board who must be a resident of Dakota county and who may be a member of the county board.

A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 71. Minnesota Statutes 1988, section 85A.01, subdivision 5, is amended to read:

Subd. 5. Members of the board ~~are not required to~~ shall file a statement of economic interest with the state ethical practices board under section 10A.09.

Sec. 72. Minnesota Statutes 1988, section 85A.02, subdivision 2, is amended to read:

Subd. 2. The board shall acquire, construct, equip, operate and maintain the Minnesota zoological garden at a site in Dakota county legally described in Laws 1975, chapter 382, section 12. The zoological garden shall consist of adequate facilities and structures for the collection, habitation, preservation, care, exhibition, examination or study of wild and domestic animals, including, but not limited to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board may provide such lands, buildings and equipment as it deems necessary for parking, transportation, entertainment, education or instruction of the public in connection with such zoological garden. The board shall, if practical, maintain facilities at the zoological garden to accommodate overnight groups of visitors from the nonmetropolitan area.

Sec. 73. Minnesota Statutes 1988, section 85A.02, subdivision 5, is amended to read:

Subd. 5. The board may accept and use gifts, grants or contributions from any nonstate source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and invest or reinvest the money, securities, or other property given or bequeathed to it from nonstate sources. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes, except that expenditures of \$10,000 or more must be approved by the full board. Any additional operating expenses incurred by virtue of capital development projects must be paid for with funds other than state appropriations.

Sec. 74. Minnesota Statutes 1988, section 85A.02, subdivision 5a, is amended to read:

Subd. 5a. [EMPLOYEES.] (a) The board governor, after consideration of a list supplied by the board, shall appoint an the administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, the administrator shall operate the Minnesota zoological garden and enforce all rules and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. The governor, after consideration of a recommendation by the board, shall set the compensation for of the administrator within the limits established for the commissioner of agriculture in section 15A.081, subdivision 1. The administrator shall perform duties assigned by the board and shall serve in the unclassified service at the pleasure of the board. The board administrator, with the participation of the private sector board, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel. Employees of the zoological garden are eligible for salary supplement in the same manner as employees of other state agencies. The commissioner of finance shall determine the amount of salary supplement based on available funds.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment. The board may also contract for the construction and operation of entertainment facilities on the zoo grounds that are not directly connected to ordinary functions of the zoological garden. The zoo board shall not enter into any final agreement for construction of any entertainment facility that is not directly connected to the ordinary functions of the zoo until after final construction plans have been submitted to

the chairs of the senate finance and house appropriations committees for their recommendations.

The zoo may not contract for entertainment during the period of the Minnesota state fair that would directly compete with entertainment at the Minnesota state fair.

Sec. 75. Minnesota Statutes 1988, section 85A.02, subdivision 5b, is amended to read:

Subd. 5b. [EXEMPTIONS.] Except as it determines, and except as provided in subdivisions 16 and 17, The board is not subject to chapters 15, 15A, 16A, and 16B concerning budgeting, payroll, and the purchase of goods or services. The board is not subject to sections 15.057, 15.061, 16A.128, and 16A.28; chapter 16B except for sections 16B.07, 16B.102, 16B.17, 16B.19, 16B.35, and 16B.55; and chapter 14 concerning administrative procedures except sections 14.38, subdivision 7, and 14.39 to 14.43 relating to the legal status of rules and the legislative review of rules.

Sec. 76. Minnesota Statutes 1988, section 85A.02, subdivision 12, is amended to read:

Subd. 12. The board shall report to the legislature chairs of the house appropriations committee, senate finance committee, and the chairs of the general legislation committees of the house and senate by September 15 of each year on the activities of the board and the operation of the zoological garden. The report must summarize the activities of the board and the Minnesota zoological garden over the preceding fiscal year ending June 30. The report must include monthly figures for total attendance, regular attendance, and free admissions and how these monthly figures compare to the previous fiscal year. The report must be submitted together with the financial report required by subdivision 5c.

Sec. 77. Minnesota Statutes 1988, section 85A.02, subdivision 16, is amended to read:

Subd. 16. The board may acquire by lease-purchase or installment purchase contract, transportation systems, facilities and equipment that it determines will substantially enhance the public's opportunity to view, study or derive information concerning the animals to be located in the zoological garden, and will increase attendance at the garden. The contracts may provide for: (1) the payment of money over a 12-year period, or over a longer period not exceeding 25 years if approved by the board; (2) the payment of money from any funds of the board not pledged or appropriated for another purpose; (3) indemnification of the lessor or seller for damage to property or injury to persons due primarily to the actions of the board or its employees; (4) the transfer of title to the property to the board upon execution of the contract or upon payment of specified amounts; (5)

the reservation to the lessor or seller of a security interest in the property; and (6) any other terms that the board determines to be commercially reasonable. Property so acquired by the board, and its purchase or use by the board, or by any nonprofit corporation having a concession from the board requiring its purchase, shall not be subject to taxation by the state or its political subdivisions. Each contract shall be subject to the provisions of chapter 16B, relating to competitive bidding, provided that, notwithstanding subdivision 5b, the board is not required to readvertise for competitive proposals for any transportation system, facilities and equipment heretofore selected from competitive proposals ~~taken pursuant to subdivision 18.~~

Sec. 78. Minnesota Statutes 1988, section 85A.02, subdivision 17, is amended to read:

Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The board shall have a policy ~~encouraging the admission of~~ admitting elementary school children at no charge when they are part of an organized school activity. The Minnesota zoological garden must be open to the public without admission charges at least two days each month. However, the zoo may charge at any time for parking, special services, and for admission to special facilities for the education, entertainment, or convenience of visitors, provided that these services are also charged for at times when regular admission charges are in effect. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 79. Minnesota Statutes 1988, section 85A.02, subdivision 18, is amended to read:

Subd. 18. [PURCHASING.] The board may contract for supplies, materials, purchase or rental of equipment, and utility services. Except as provided in subdivision 5b, chapter 16B does not apply to these contracts. However, contracts shall be awarded on the basis of competitive bids to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. Competitive bidding is not required for purchases clearly and legitimately limited to a single source of supply; the purchase price may then be established by direct negotiation. Competitive bids are not required for utility services if no competition exists or if rates are fixed by law or ordinance. The board may contract for consultant, professional, and technical services without regard to sections 16B.17 and 16B.19.

Sec. 80. [93.222] [TACONITE IRON ORE SPECIAL ADVANCE ROYALTY ACCOUNT.]

The taconite iron ore special advance royalty account is created as an account in the state treasury for disposal of certain mineral lease money received under the terms of extension agreements adopted under section 93.193, relating to state iron ore or taconite iron ore mining leases. The principal of the account is distributed under the terms of the extension agreements to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased. Interest accruing from investment of the account remains with the account until distributed as provided in this section. The interest accrued through June 30 under each extension agreement is distributed annually, as soon as possible after June 30, to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased in the same proportion that the total acres included in a particular class of land bears to the total acreage of the leased land covered by each extension agreement. Money in the taconite iron ore special advance royalty account is appropriated for distribution as provided in this section.

Sec. 81. Minnesota Statutes 1988, section 94.09, subdivision 2, is amended to read:

Subd. 2. On or before July 1 of each year the head of each department or agency having control and supervision over any state owned land the sale or disposition of which is not otherwise provided for by law, shall certify in writing to the commissioner of administration whether or not there is any state owned land under control and supervision of that department or agency which is no longer needed. If the certification discloses lands no longer needed for a department or agency, the head thereof shall include in such certification a description of the lands, and the reasons why such lands are no longer needed. If the certification is by the commissioner of natural resources, the duties prescribed for the commissioner of administration by this section and sections 94.10 to 94.16 shall be performed by the commissioner of natural resources, including sale as directed by section 94.10, subdivision 2, paragraph (b), the issuance of any documents, and the issuance of any deed under section 94.12.

Sec. 82. Minnesota Statutes 1988, section 94.342, subdivision 3, is amended to read:

Subd. 3. [EXCHANGE RESTRICTIONS CLASS C.] Land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law is Class C land. Class C land may not be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation

upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by section 92.45, unless waived as provided in this subdivision, and that there shall be reserved by the state such additional rights of public use upon suitable portions of such state land as the commissioner of natural resources, with the approval of the land exchange board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses. In regard to Class B or Class C land that is contained within that portion of the Superior National Forest that is designated as the Boundary Waters Canoe Area Wilderness and is also located within Cook county, the condition that state land given in exchange bordering on public waters must be subject to the public travel reservations provided in section 92.45, may be waived by the land exchange board upon the recommendation of the commissioner of natural resources and, if the land is Class B land, the additional recommendation of the county board which has the concurrence of the commissioner of natural resources, in which the land is located.

Sec. 83. Minnesota Statutes 1988, section 97A.055, is amended by adding a subdivision to read:

Subd. 3. [GAME AND FISH FUND FEES.] To reduce yearly fluctuations of the game and fish fund balance and to provide improved long-range planning of the fund, the policy of the state is to make fee adjustments as part of the budget process. Agency responsibilities are:

(a) The commissioner of natural resources must make specific requests for fee adjustments for all receipt items in the game and fish fund as a part of the fee report.

(b) The commissioner of finance must review the fee report and make recommendations for each fee. The commissioner of finance must submit a six-year projection on revenues and expenditures to the legislature.

Sec. 84. Minnesota Statutes 1988, section 97A.165, is amended to read:

97A.165 [SOURCE OF PAYMENTS FOR INDIAN AGREEMENT.]

Money to make payments to the Leech Lake Band, the 1854 treaty area agreement, and White Earth Band special license account under sections 94.16 and, 97A.151, subdivision 4, and 97A.157, subdivision 4, is annually appropriated for that purpose in a ratio of 60 20 percent from the game and fish fund and 40 80 percent from the general fund.

Sec. 85, Minnesota Statutes 1988, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, ~~\$9~~ \$10;
- (2) for persons age 65 or over, ~~\$4.50~~ \$5;
- (3) to take turkey, ~~\$12.50~~ \$14;
- (4) to take deer with firearms, ~~\$20~~ \$22;
- (5) family license to take deer with firearms, \$84;
- (6) to take deer by archery, ~~\$20~~ \$22;
- ~~(6)~~ (7) to take moose, for a party of not more than four persons, ~~\$250~~ \$275;
- ~~(7)~~ (8) to take bear, ~~\$30~~ \$33; and
- ~~(8)~~ (9) to take elk, for a party of not more than two persons, ~~\$200~~ \$220.

Sec. 86, Minnesota Statutes 1988, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, ~~\$51~~ \$56;
- (2) to take deer with firearms, ~~\$100~~ \$110;
- (3) to take deer by archery, ~~\$100~~ \$110;
- (4) to take bear, ~~\$150~~ \$165;
- (5) to take turkey, ~~\$30~~ \$33; and
- (6) to take raccoon, bobcat, fox, coyote, or lynx, ~~\$125~~ \$137.50.

Sec. 87, Minnesota Statutes 1988, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, for persons under age 65, ~~\$9.50~~ \$10.50;
- (2) to take fish by angling, for persons age 65 and over, ~~\$4~~ \$4.50;
- (3) to take fish by angling, for a combined license for a married couple, ~~\$13.50~~ \$15;
- (4) to take fish by spearing from a dark house, ~~\$12~~ \$13; and
- (5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$4.50~~ \$5.

Sec. 88. Minnesota Statutes 1988, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$18~~ \$20;
- (2) to take fish by angling limited to seven consecutive days, ~~\$15~~ \$16.50;
- (3) to take fish by angling for three consecutive days, ~~\$12~~ \$13.50;
- (4) to take fish by angling for a combined license for a family, ~~\$30.50~~ \$33.50;
- (5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$4.50~~ \$5; and
- (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, ~~\$22.50~~ \$25.

Sec. 89. Minnesota Statutes 1988, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

- (1) for an individual, ~~\$13.50~~ \$15; and
- (2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$19.50~~ \$21.50.

Sec. 90. Minnesota Statutes 1988, section 97A.475, subdivision 11, is amended to read:

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees for the following licenses are:

(1) for a fish house or dark house that is not rented, ~~\$8~~ \$9; and

(2) for a fish house or dark house that is rented, ~~\$18~~ \$20.

Sec. 91. Minnesota Statutes 1988, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] The fee for a fish house license for a nonresident is ~~\$19.50~~ \$21.50.

Sec. 92. Minnesota Statutes 1988, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$5~~ \$5.50.

Sec. 93. Minnesota Statutes 1988, section 97A.475, subdivision 14, is amended to read:

Subd. 14. [ROUGH FISH; MINNESOTA AND MISSISSIPPI RIVERS.] The fee for a license to take rough fish for domestic use with a set line in the Minnesota and Mississippi rivers is ~~\$13~~ \$14.50.

Sec. 94. Minnesota Statutes 1988, section 97A.475, subdivision 15, is amended to read:

Subd. 15. [LAKE SUPERIOR FISHING GUIDES.] The fee for a license to operate a charter boat and guide anglers on Lake Superior is:

(1) for a resident, ~~\$25~~ \$27.50;

(2) for a nonresident, ~~\$100~~ \$110; or

(3) if another state charges a Minnesota resident a fee greater than \$100 for a Lake Superior fishing guide license in that state, the nonresident fee for a resident of that state is that greater fee.

Sec. 95. Minnesota Statutes 1988, section 97A.475, subdivision 16, is amended to read:

Subd. 16. [RESIDENT HUNTING GUIDES.] The fees for the following resident guide licenses are:

(1) to guide bear hunters, ~~\$75~~ \$82.50; and

(2) to guide turkey hunters, ~~\$20~~ \$22.

Sec. 96. Minnesota Statutes 1988, section 97A.475, subdivision 17, is amended to read:

Subd. 17. [NONRESIDENT BEAR GUIDES.] The fee for a license to guide bear hunters for a nonresident is ~~\$400~~ \$440.

Sec. 97. Minnesota Statutes 1988, section 97A.475, subdivision 18, is amended to read:

Subd. 18. [SHOOTING PRESERVES.] The fee for a shooting preserve license is ~~\$75~~ \$82.50.

Sec. 98. Minnesota Statutes 1988, section 97A.475, subdivision 19, is amended to read:

Subd. 19. [TAXIDERMISTS.] The fee for a taxidermist license, to be issued for a three-year period to residents only, is:

(1) for persons age 18 and older, ~~\$40~~ \$44; and

(2) for persons under age 18, ~~\$25~~ \$27.50.

Sec. 99. Minnesota Statutes 1988, section 97A.475, subdivision 20, is amended to read:

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

(1) for persons over age 13 and under age 18, ~~\$5~~ \$5.50; and

(2) for persons age 18 and older, ~~\$16~~ \$18.

Sec. 100. Minnesota Statutes 1988, section 97A.475, subdivision 21, is amended to read:

Subd. 21. [FUR BUYING AND SELLING; RESIDENTS.] (a) The fee for a license for a resident to buy and sell raw furs is ~~\$100~~ \$110.

(b) The fee for a supplemental license to buy and sell furs is ~~\$50~~ \$55.

Sec. 101. Minnesota Statutes 1988, section 97A.475, subdivision 23, is amended to read:

Subd. 23. [RAW FUR TANNING.] The fee for a license to tan and dress raw furs to be issued to residents and nonresidents is ~~\$15~~ \$16.50.

Sec. 102. Minnesota Statutes 1988, section 97A.475, subdivision 24, is amended to read:

Subd. 24. [GAME AND FUR FARMS.] The fee for a game and fur farm license is ~~\$15~~ \$16.50.

Sec. 103. Minnesota Statutes 1988, section 97A.475, subdivision 25, is amended to read:

Subd. 25. [MUSKRAT FARMS.] The fee for a muskrat farm license is ~~\$10~~ \$11.

Sec. 104. Minnesota Statutes 1988, section 97A.475, subdivision 26, is amended to read:

Subd. 26. [MINNOW DEALERS.] The fees for the following licenses are:

- (1) minnow dealer, ~~\$70~~ \$77;
- (2) minnow dealer's helper, ~~\$5~~ \$5.50;
- (3) minnow dealer's vehicle, ~~\$10~~ \$11;
- (4) exporting minnow dealer, ~~\$250~~ \$275; and
- (5) exporting minnow dealer's vehicle, ~~\$10~~ \$11.

Sec. 105. Minnesota Statutes 1988, section 97A.475, subdivision 27, is amended to read:

Subd. 27. [MINNOW RETAILERS.] The fees for the following licenses, to be issued to residents and nonresidents, are:

- (1) minnow retailer, ~~\$10~~ \$11; and
- (2) minnow retailer's vehicle, ~~\$10~~ \$11.

Sec. 106. Minnesota Statutes 1988, section 97A.475, subdivision 28, is amended to read:

Subd. 28. [NONRESIDENT MINNOW HAULERS.] The fees for the following licenses, to be issued to nonresidents, are:

- (1) exporting minnow hauler, \$525; and

(2) exporting minnow hauler's vehicle, ~~\$10~~ \$11.

Sec. 107. Minnesota Statutes 1988, section 97A.475, subdivision 29, is amended to read:

Subd. 29. [PRIVATE FISH HATCHERIES.] The fees for the following licenses to be issued to residents and nonresidents are:

(1) for a private fish hatchery, with annual sales under \$200, ~~\$25~~ \$27.50;

(2) for a private fish hatchery, with annual sales of \$200 or more, ~~\$50~~ \$55; and

(3) To take sucker eggs from public waters for a private fish hatchery, ~~\$150~~ \$165, plus \$3 for each quart in excess of 100 quarts.

Sec. 108. Minnesota Statutes 1988, section 97A.475, subdivision 29a, is amended to read:

Subd. 29a. [FISH FARMS.] The fees for the following licenses to be issued to residents and nonresidents are:

(1) for a fish farm, ~~\$250~~ \$275; and

(2) to take sucker eggs from public waters for a fish farm, ~~\$150~~ \$165, plus \$3 for each quart in excess of 100 quarts.

Sec. 109. Minnesota Statutes 1988, section 97A.475, subdivision 30, is amended to read:

Subd. 30. [COMMERCIAL NETTING OF FISH IN INLAND WATERS.] The fee for a license to net commercial fish in inland waters, to be issued to residents and nonresidents, is \$70 plus:

(1) for each hoop net pocket, ~~75 cents~~ \$1;

(2) for each 1,000 feet of seine, ~~\$15~~ \$16.50; and

(3) for each helper's license, ~~\$5~~ \$5.50.

Sec. 110. Minnesota Statutes 1988, section 97A.475, subdivision 31, is amended to read:

Subd. 31. [COMMERCIAL NETTING OF FISH IN LAKE OF THE WOODS.] The fee for a license to commercially net fish in Lake of the Woods is:

(1) for each pound net or staked trap net, ~~\$45~~ \$49.50;

(2) for each fyke net, ~~\$10~~ \$11, plus \$5 for each two-foot segment, or fraction, of the wings or lead in excess of four feet in height;

(3) for each 100 feet of gill net, ~~\$2.50~~ \$2.75;

(4) for each submerged trap net, ~~\$15~~ \$16.50; and

(5) for each helper's license, ~~\$15~~ \$16.50.

Sec. 111. Minnesota Statutes 1988, section 97A.475, subdivision 32, is amended to read:

Subd. 32. [COMMERCIAL NETTING OF FISH IN RAINY LAKE.] The fee for a license to commercially net fish in Rainy Lake is:

(1) for each pound net, ~~\$45~~ \$49.50;

(2) for each 100 feet of gill net, ~~\$2.50~~ \$2.75; and

(3) for each helper's license, ~~\$15~~ \$16.50.

Sec. 112. Minnesota Statutes 1988, section 97A.475, subdivision 33, is amended to read:

Subd. 33. [COMMERCIAL NETTING OF FISH IN NAMAKAN AND SAND POINT LAKES.] The fee for a license to commercially net fish in Namakan Lake and Sand Point Lake is:

(1) for each 100 feet of gill net, ~~\$1.50~~ \$1.75;

(2) for each pound, fyke, and submerged trap net, ~~\$15~~ \$16.50; and

(3) for each helper's license, ~~\$5~~ \$5.50.

Sec. 113. Minnesota Statutes 1988, section 97A.475, subdivision 34, is amended to read:

Subd. 34. [COMMERCIAL SEINE AND SET LINES TO TAKE FISH IN THE MISSISSIPPI RIVER.] (a) The fee for a license to commercially seine rough fish in the Mississippi river from St. Anthony Falls to the St. Croix river junction is:

(1) for a seine not exceeding 500 feet, ~~\$25~~ \$27.50; or

(2) for a seine over 500 feet, ~~\$40~~ \$44, plus \$2 for each 100 foot segment or fraction over 1,000 feet.

(b) The fee for each helper's license issued under paragraph (a) is \$5 \$5.50.

Sec. 114. Minnesota Statutes 1988, section 97A.475, subdivision 35, is amended to read:

Subd. 35. [COMMERCIAL SEINING OF FISH IN WISCONSIN BOUNDARY WATERS.] The fee for a license to commercially seine fish in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the Iowa border is:

- (1) for a seine not exceeding 500 feet, ~~\$25~~ \$27.50; or
- (2) for a seine over 500 feet, ~~\$40~~ \$44, plus \$2.50 for each 100 feet over 1,000 feet; and
- (3) for each helper's license to be issued to residents and nonresidents, ~~\$5~~ \$5.50.

Sec. 115. Minnesota Statutes 1988, section 97A.475, subdivision 36, is amended to read:

Subd. 36. [COMMERCIAL NETTING IN WISCONSIN BOUNDARY WATERS.] The fee for a license to commercially net in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border is:

- (1) for each gill net not exceeding 500 feet, ~~\$13~~ \$14.50;
- (2) for each gill net over 500 feet, ~~\$25~~ \$27.50;
- (3) for each fyke net and hoop net, ~~\$10~~ \$11;
- (4) for each bait net, ~~\$1.50~~ \$1.75;
- (5) for each turtle net, ~~\$1.50~~ \$1.75;
- (6) for each set line identification tag, ~~\$13~~ \$14.50; and
- (7) for each helper's license to be issued to residents and nonresidents, ~~\$5~~ \$5.50.

Sec. 116. Minnesota Statutes 1988, section 97A.475, subdivision 37, is amended to read:

Subd. 37. [COMMERCIAL NETTING OF FISH IN LAKE SUPERIOR.] The fee for a license to commercially net fish in Lake Superior is:

(1) for each gill net, ~~\$70~~ \$77 plus \$2 for each 1,000 feet over 1,000 feet;

(2) for a pound or trap net, ~~\$70~~ \$77 plus \$2 for each additional pound or trap net; and

(3) for each helper's license, ~~\$5~~ \$5.50.

Sec. 117. Minnesota Statutes 1988, section 97A.475, subdivision 38, is amended to read:

Subd. 38. [FISH BUYERS.] The fees for licenses to buy fish from commercial fishing licensees to be issued residents and nonresidents are:

(1) for Lake Superior fish bought for sale to retailers, ~~\$50~~ \$55;

(2) for Lake Superior fish bought for sale to consumers, ~~\$10~~ \$11;

(3) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for sale to retailers, ~~\$100~~ \$110; and

(4) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for shipment only on international boundary waters, ~~\$10~~ \$11.

Sec. 118. Minnesota Statutes 1988, section 97A.475, subdivision 39, is amended to read:

Subd. 39. [FISH PACKER.] The fee for a license to prepare dressed game fish for transportation or shipment is ~~\$13~~ \$14.50.

Sec. 119. Minnesota Statutes 1988, section 97A.475, subdivision 40, is amended to read:

Subd. 40. [FISH VENDORS.] The fee for a license to use a motor vehicle to sell fish is ~~\$25~~ \$27.50.

Sec. 120. Minnesota Statutes 1988, section 97A.475, subdivision 41, is amended to read:

Subd. 41. [TURTLE SELLERS.] The fee for a license to take, transport, purchase, and possess unprocessed turtles for sale is ~~\$50~~ \$55.

Sec. 121. Minnesota Statutes 1988, section 97A.475, subdivision 42, is amended to read:

Subd. 42. [FROG DEALERS.] The fee for the licenses to deal in frogs that are to be used for purposes other than bait are:

(1) for a resident to purchase, possess, and transport frogs, \$70 \$77;

(2) for a nonresident to purchase, possess, and transport frogs, \$200 \$220; and

(3) for a resident to take, possess, transport, and sell frogs, \$10 \$11.

Sec. 122. Minnesota Statutes 1988, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sporting, the issuing fee is \$1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose. The refund application must include a statement describing the purposes of the game and fish fund, the nature of federal matching funds, and a description of the effects of the loss of state and federal funds from the game and fish fund.

Sec. 123. Minnesota Statutes 1988, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding the small game surcharge and issuing fees, and the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 124. Minnesota Statutes 1988, section 97B.301, is amended by adding a subdivision to read:

Subd. 5. [FAMILY HUNTING LICENSE.] A resident family license may be issued by the commissioner. "Family" is defined as a husband, wife, and their children under the age of 18 residing at home. To hunt with a family license, children must be under the age of 18 and enrolled in school. The individual deer limits in subdivision 1 do not apply to the family license. When hunting with a family license, the total limit for the license is four deer.

Sec. 125. Minnesota Statutes 1988, section 115.03, subdivision 1, is amended to read:

Subdivision 1. The agency is hereby given and charged with the following powers and duties:

(a) To administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) To investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) To establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this

chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) To encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) To adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities;

(1) Requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) Prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) Prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) Requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) Establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of

the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973 and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) Establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) Requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) Notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 5, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the

state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) Modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977 upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants;

(f) To require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) To prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) To conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) For the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements,

procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) To train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the water pollution control training fund of the agency, from which the agency shall have the power to make disbursements to pay expenses relating to such training;

(k) To impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) To set a period not to exceed five years for the duration of any National Pollutant Discharge Elimination System permit; and

(m) To require a governmental subdivision that owns or operates a wastewater disposal system to have a plan to address its ability to pay the costs of making major repairs to the existing system and planning and constructing an adequate replacement system at the end of the existing system's expected useful life; and

(n) To train individual sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate individual sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is continually appropriated to the agency to pay expenses related to training.

Sec. 126. [115A.99] [MONITORS REQUIRED FOR INCINERATORS]

Notwithstanding any other law to the contrary, an incinerator permit issued to a facility that allows burning of PCB's or that contains emission limits for cadmium, chromium, lead, or mercury must, as a condition of the permit, require the installation of a continuous emission monitoring system approved by the commissioner. The monitoring system must provide continuous emission measurements to ensure optimum combustion efficiency of dioxin precursors. The system shall also be capable of providing a permanent record of monitored emissions that will be available upon request to the commissioner and the general public. The commissioner shall provide periodic inspection of the monitoring system to determine its continued accuracy. Should, at any time, the permit-

ted facility's emissions exceed permit requirements, the facility shall immediately commence shutdown of the incinerator until the appropriate modifications to the facility have been made to ensure its ability to meet permitted requirements.

Sec. 127. Minnesota Statutes 1988, section 116.65, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] By the end of the initial contract entered by the agency under section 116.62, subdivision 3, the amounts appropriated from the motor vehicle transfer fund to the vehicle emission inspection account must be repaid to the transfer fund, and the amounts necessary for this repayment are appropriated from the vehicle emission inspection account. An additional sum not to exceed the amount of annual receipts is appropriated for the cost of the contract entered under section 116.62, subdivision 3. This open appropriation authority is effective until June 30, 1991.

Sec. 128. Minnesota Statutes 1988, section 116J.01, is amended to read:

116J.01 [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.]

Subdivision 1. [APPOINTMENT.] The department of trade and economic development is supervised and controlled by the deputy commissioner of trade and economic development for community development, who is appointed by the governor and serves under section 15.06.

Subd. 2. [CONFIDENTIAL SECRETARY.] The deputy commissioner for community development may appoint a confidential secretary in the unclassified service.

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The deputy commissioner for community development shall organize the department as provided in section 15.06. The department must be organized into three four divisions, designated as the business promotion and marketing division, the community development division, the policy analysis and science and technology division, and the Minnesota trade division, and two offices, the office of tourism and the policy analysis office. Each division and office shall administer the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the deputy commissioner for community development may establish and revise the assignments of each division and office. Each division is under the direction of a deputy commissioner in the unclassified service. The deputy commissioner of the Minnesota trade division must be experienced and knowledgeable in matters of international trade.

Each office is under the direction of a director in the unclassified service.

Subd. 4. [APPOINTMENT OF DIRECTOR OF THE OFFICE OF TOURISM.] The director of the office of tourism shall be appointed by the governor.

Sec. 129. Minnesota Statutes 1988, section 116J.03, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] "Commissioner" or "commissioner of trade and economic development" means the deputy commissioner of trade and economic development for community development.

Sec. 130. [116J.036] [POWERS AND DUTIES OF THE COMMISSIONER FOR DISCONTINUED PROGRAMS.]

The commissioner of trade and economic development has those powers granted to the Minnesota energy and economic development authority under Minnesota Statutes 1986, sections 116M.06, 116M.07, and 116M.08, and to the Minnesota agricultural and economic development board under Minnesota Statutes 1988, section 41A.023, notwithstanding the repeal of these sections, that are necessary and appropriate to administer and protect loans made or participated in or bonds issued by the authority or board on or before the effective date of this section for the following programs:

- (1) the agricultural loan guaranty program under chapter 41A;
- (2) the small business development loan program under Minnesota Statutes 1986, chapter 116M, and Minnesota Statutes 1988, section 41A.036; and
- (3) the hazardous waste processing facility loan program under Minnesota Statutes 1986, section 116M.07, and Minnesota Statutes 1988, section 41A.066.

Sec. 131. [SUCCESSOR STATUS.]

Subdivision 1. [MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD.] The deputy commissioner of trade and economic development for community development is the legal successor in all respects of the Minnesota agricultural and economic development board established under Minnesota Statutes, chapter 41A. All bonds, loan guarantees, resolutions, contracts, and liabilities of the Minnesota agricultural and economic development board are the bonds, loan guarantees, resolutions, contracts, and liabilities of the deputy commissioner of trade and economic development for community development.

Subd. 2. [MINNESOTA SMALL BUSINESS DEVELOPMENT PROGRAM.] The deputy commissioner of trade and economic development for community development is the legal successor in all respects of the Minnesota energy and economic development authority and the Minnesota agricultural and economic development board under the general bond resolution for the Minnesota small business development program as amended and restated by the authority on September 24, 1986, and the resolution for the Minnesota economic development revenue bond program as stated by the authority on December 16, 1985. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority and the Minnesota agricultural and economic development board relating to the Minnesota small business development loan program and the Minnesota economic development revenue bond program are the bonds, resolutions, contracts, and liabilities of the deputy commissioner of trade and economic development for community development.

Subd. 3. [HAZARDOUS WASTE PROCESSING FACILITY LOANS.] The deputy commissioner of trade and economic development for community development is the legal successor in all respects of the Minnesota agricultural and economic development board and the Minnesota energy and economic development authority for the hazardous waste processing facility loan program. All bonds, resolutions, contracts, or liabilities of the Minnesota agricultural and economic development board and the Minnesota energy and economic development authority relating to the hazardous waste processing facility loan program are the bonds, resolutions, contracts, or liabilities of the deputy commissioner of trade and economic development for community development.

Sec. 132. [TRANSFER; MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT FUND.]

All accounts and all money in the accounts of the Minnesota agricultural and economic development fund established under Minnesota Statutes, section 41A.05, subdivision 1, are transferred to the Minnesota agricultural and economic development account of the special revenue fund. All loan repayments, earnings, releases from insurance accounts and trustee accounts, and other income of the account must be credited to the general fund.

Sec. 133. [TRANSFER; ECONOMIC DEVELOPMENT FUND.]

All accounts and money in those accounts of the economic development fund, established under Minnesota Statutes 1986, section 116M.06, subdivision 4, and continued under Minnesota Statutes 1988, section 116J.968, that are related to the certified development company established under Minnesota Statutes 1988, section 41A.065, are transferred to an account in the special revenue fund. The trustee and insurance accounts related to the energy loan

insurance program established under Minnesota Statutes 1986, section 116M.11, are transferred to the energy loan insurance account of the special revenue fund. All repayments, earnings, releases from insurance accounts, and trust accounts of the energy loan insurance account must be credited to the general fund. All other money in the economic development account is credited to the general fund.

Sec. 134. [LOAN REPAYMENTS.]

The deputy commissioner of trade and economic development for community development shall credit money received from loan repayments, earnings, releases from insurance reserve accounts and trustee accounts, and other income from the small business development loan program under Minnesota Statutes, section 41A.036, and the agricultural resource loan guaranty program under Minnesota Statutes, chapter 41A, and the hazardous waste processing facility loan program under Minnesota Statutes, section 41A.066, to the general fund.

Sec. 135. [116J.616] [SPECIFIC AGREEMENTS PROHIBITED.]

The commissioner or director of tourism may not enter into an agreement which would obligate the state to pay any part of a debt incurred by a public or private facility, organization, or attraction.

Sec. 136. [116J.617] [TOURISM LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner may establish a tourism revolving loan program to provide loans or participate in loans to resorts, campgrounds, lodging facilities, and other tourism-related businesses. The commissioner shall work with financial institutions in making or participating in loans under this section.

Subd. 2. [ELIGIBLE BORROWER.] To receive a loan under this section, the borrower must be a sole proprietorship, partnership, corporation, or other person engaged in a tourism-related business or other entity that is defined by the standard industrial classification codes of 7011 and 7033 as set out in the Code of Federal Regulations, title 13, section 121.2. An eligible borrower under this section must maintain the business or other entity as a tourism-related entity as defined by this subdivision during the term of the loan. An eligible borrower may not receive a loan under this section if the borrower has received a tourism-related loan made by the state or participated in by the state in the past three years.

Subd. 3. [ELIGIBLE LOAN.] The maximum loan made or participated in under this section may not be for more than 50 percent of the total cost of the project. Loan proceeds may be used for the

following purposes: building construction and improvement, site improvement, equipment, other construction costs, and engineering costs. Project-related expenditures made more than 30 days prior to an application may not be financed by a loan made or participated in under this section.

Subd. 4. [LOAN TERMS.] The maximum term of a loan made or participated in under this section may not exceed the useful life of the real property or 80 percent of the useful life of the equipment or machinery, or the following limits, whichever is less:

(1) ten years for land, building, or other real property;

(2) five years for equipment or machinery; or

(3) a weighted average of the limits under clauses (1) and (2) for loans made or participated in for a combination of real property and equipment or machinery.

The commissioner may establish interest rates for loans made under this section. All loans made must be secured by collateral.

Subd. 5. [TOURISM LOAN ACCOUNT.] The tourism loan account is created in the special revenue fund. The fund consists of money appropriated or transferred to the account and interest collected through the tourism revolving loan program, and gifts, donations, and bequests made to the account. Fees collected through the tourism revolving loan program must be allocated to the general fund.

Sec. 137. Minnesota Statutes 1988, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development; and

(16) annually convene conferences of providers of economic development related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies.

Sec. 138. Minnesota Statutes 1988, section 116J.68, subdivision 2, is amended to read:

Subd. 2. The bureau shall:

(a) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

(b) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations or to the business assistance referral system established by the Minnesota Project Outreach Corporation;

(c) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

(d) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

(e) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(f) maintain a close and continued relationship with the director of the procurement program within the department of administration so as to facilitate the department's duties and responsibilities under sections 16B.19 to 16B.22 relating to the small business set aside program of the state;

(g) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

(h) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state. If the small business person requires a referral to another provider the bureau may use the business assistance referral system established by the Minnesota Project Outreach Corporation;

(i) conduct research and provide data as required by state legislature;

(j) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

(k) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(l) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons;

(m) publicize to small businesses the provisions of Laws 1983, chapter 188, requiring section 14.115 which requires consideration of small business issues in state agency rulemaking;

(n) enter into agreements with the federal government and other public and private entities to serve as the statewide coordinator or host agency for the federal small business development center program under United States Code, title 15, section 648;

(o) establish an evaluation mechanism to determine if assistance providers have adequate expertise and resources to deliver quality services. Evaluation of assistance providers may be based on the ability of the provider to offer the advertised service, the training and experience of the provider, and the formal evaluation process used by the provider. The evaluation mechanism must be designed so that the business assistance referral system established by the Minnesota Project Outreach Corporation may use the results of the evaluation in providing clients with referrals to providers; and

(p) assist providers in the evaluation of their programs and the assessment of their service area needs. The bureau may establish model evaluation techniques and performance standards for providers to use.

Sec. 139. [116J.691] [MINNESOTA PROJECT OUTREACH CORPORATION.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The Minnesota Project Outreach Corporation is established as a nonprofit corporation under chapter 317 and is subject to the provisions of that chapter. The purpose of the corporation is to (i) facilitate the transfer of technology and scientific advice from the University of Minnesota and other institutions to businesses in the state that may make economic use of the information; and (ii) to assist small and medium-sized businesses in finding technical and financial assistance providers that meet their needs.

Subd. 2. [BOARD OF DIRECTORS.] The Minnesota Project Outreach Corporation shall be governed by a nine-member board of directors consisting of the president of the University of Minnesota or the president's designee, the deputy commissioner of trade and economic development for community development or the commissioner's designee, the chair of the Greater Minnesota Corporation board of directors or the chair's designee, the president of the Minnesota Project Outreach Corporation, a member of the state senate appointed by the subcommittee on committees of the senate rules and administration committee, a member of the house of representatives appointed by the speaker, a representative of small manufacturing firms located outside the metropolitan area, a representative of medium-sized manufacturing firms located in the metropolitan area, and a private sector person representing the general public. Vacancies on the board for the members who are representatives of the manufacturing firms and the general public shall be filled by the board. The president of the Minnesota Project Outreach Corporation shall be appointed by at least a two-thirds majority of the other members of the board.

The terms of the directors appointed by the governor shall be three years. The directors appointed by the governor shall serve

until their successors are appointed and qualify. The board may elect a chair and form committees of the board.

Subd. 3. [ARTICLES OF INCORPORATION.] The articles of incorporation of the Minnesota Project Outreach Corporation must be filed with the secretary of state under chapter 317 and must be consistent with the duties of the corporation under subdivision 4 and the other provisions of this section.

Subd. 4. [DUTIES.] The Minnesota Project Outreach Corporation shall:

(1) establish a technology assistance system to assist business, specifically new and other small and medium-sized businesses across the state, in gaining access to technical information, including but not limited to technologies developed by the University of Minnesota and other higher education systems and their personnel; and in gaining access to technology-related federal programs.

(2) establish and continually update a business assistance referral system which includes a data base of economic development related technical assistance and financial assistance providers or programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, local governments, private industry associations, and other organizations and individuals that provide assistance;

(3) establish and maintain or contract for the establishment of a toll-free telephone number operated by trained staff familiar with the business assistance referral system and data base;

(4) maintain a marketing and outreach program informing persons interested in starting, operating, or expanding small business and assistance providers of the technology assistance system and the business assistance referral system;

(5) establish, where possible, regional bases and referral systems for the business assistance referral system; and

(6) make available the data base of the business assistance referral system to the legislature, the department of trade and economic development, and other state agencies for evaluating the effectiveness and efficiency of the provision of economic development-related technical and financial assistance in the state.

Subd. 5. [STATE AGENCY COOPERATION.] The Minnesota Project Outreach Corporation shall consult with the department of trade and economic development in the development and marketing of the business assistance referral system. The corporation shall assist the department of trade and economic development in estab-

lishing an evaluation mechanism for the business assistance referral system which at least includes a process for determining the effectiveness of the economic development related technical or financial assistance provider's service in meeting the needs of the client referred to the provider.

Subd. 6. [CHARGES TO CLIENTS.] (a) The Minnesota Project Outreach Corporation may charge reasonable fees to a client for the technology assistance system. The corporation shall establish a fee structure for the technology assistance system and may base the fee structure on the type of service provided, the size of the client based on number of employees or amount of annual revenues, the length of time the client has been in operation, and other criteria.

(b) The corporation shall provide the business assistance referral system at no cost to the client and may not charge the client a fee or any other compensation for the referral to a provider. This subdivision does not prohibit the technical or financial assistance provider from charging a fee or other compensation to a client that has been referred to the provider by the business assistance referral system.

Subd. 7. [ADVISORY COMMITTEES.] The board of directors of the Minnesota Project Outreach Corporation may appoint advisory committees to assist in selecting vendors and evaluating the corporation's activities.

Subd. 8. [ANNUAL REPORT.] The Minnesota Project Outreach Corporation shall submit an annual report by January 15 of each year to the appropriations, finance, and economic development committees of the legislature, the governor, the Greater Minnesota Corporation, and the University of Minnesota. The report must include a description of the corporation's activities for the past year, a listing of the contracts entered into by the corporation, and a summary of the corporation's expenditures.

Subd. 9. [AUDIT.] The Minnesota Project Outreach Corporation shall contract with a certified public accounting firm to perform a financial and compliance audit of the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 140. [116J.692] [REGISTERED NAME.]

Notwithstanding Minnesota Statutes, section 317.09, the secretary of state shall register the name "Minnesota Project Outreach Corporation" on behalf of the corporation.

Sec. 141. [INITIAL APPOINTMENTS.]

Notwithstanding section 139, subdivision 2, the members of the

initial board of directors representing manufacturing firms and the general public shall be appointed by the governor as follows: one member to a one-year term, one member to a two-year term, and one member to a three-year term.

Sec. 142. Minnesota Statutes 1988, section 116J.74, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER.] "Commissioner" means the deputy commissioner of the department of trade and economic development for community development.

Sec. 143. Minnesota Statutes 1988, section 116J.970, is amended to read:

116J.970 [SCIENCE AND TECHNOLOGY OFFICE DUTIES.]

~~Subdivision 1. [DUTIES.]~~ The commissioner shall ~~establish an office of science and technology, which shall:~~

(1) provide assistance to the committee on science and technology research and development established in section 116J.971;

(2) prepare and deliver to the legislature every January 15, a science and technology annual report that shall contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money;

(ii) guidelines that the legislature may use in allocating state grant or loan money for scientifically and technologically related research and development projects, to include assessments of emerging technologies and those technologies that provide significant promise for the development of job-creating businesses; and

(iii) an analysis of the efficacy and completeness of the decentralized research peer review processes mandated in section 116J.971, subdivision 5, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota are in conformance with the guidelines established in ~~item (ii)~~ section 116J.971, subdivision 6, and whether or not the scientifically and technologically related research and development projects have or will result in creating scientifically and technologically related jobs;

(3) keep a current roster of technology intensive businesses in the state;

(4) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital;

(5) review the technological development potential of various regions of the state and cooperate with and make recommendations to the legislature, state agencies, the Greater Minnesota Corporation, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential; and

(6) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development, and education in the state and represent the state at appropriate interstate and national conferences; and

(7) take other action as assigned by the commissioner.

Sec. 144. Minnesota Statutes 1988, section 116J.971, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS AND DUTIES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT.] Members of the committee on science and technology research and development must be qualified in at least one of the five following areas: economic development, academic and applied research, the administration of research, the review of research processes, and the management and development of technology intensive companies. The committee shall:

(i) advise upon and approve by a majority vote the guidelines required by section 116J.970, clause (2), item (ii);

(ii) advise the director of the office of science and technology commissioner on the preparation of the analysis required by section 116J.970, clause (2), item (iii);

(iii) approve the assignment of ad hoc advisory committees on science and technology research and development as needed; and

(iv) review and comment upon, if the committee considers it to be necessary, the reports of the ad hoc advisory committees and forward the reports to the director of the office of science and technology commissioner.

Sec. 145. Minnesota Statutes 1988, section 116J.971, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW PLANS.] A state agency, board, commission, authority, ~~or~~ institution or other entity, including the Greater Minnesota Corporation, that funds allocates state money by a grant, loan, or contract for scientifically and technologically related research shall establish a peer review system to evaluate the research. The committee on science and technology research and development shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the committee on science and technology research and development or to ad hoc committees, as determined by the committee on science and technology research and development, a review and evaluation of the peer review process used in that organization.

Sec. 146. Minnesota Statutes 1988, section 116J.971, subdivision 7, is amended to read:

Subd. 7. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, commissioner ~~or~~ director of the office of science and technology, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development, may request the committee on science and technology research and development to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by section 116J.970, clause (2), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the committee on science and technology research and development to perform these reviews.

Sec. 147. Minnesota Statutes 1988, section 116J.971, subdivision 8, is amended to read:

Subd. 8. [AUTHORITY FOR REVIEW AND COMMENT UPON RESEARCH AND DEVELOPMENT PROGRAMS.] Each agency, board, commission, authority ~~or~~, institution ~~receiving an appropriation for the funding of~~ or other entity, including the Greater Minnesota Corporation, that allocates state money by a grant, loan, or a contract for scientifically and technologically related research and development must notify the office of science and technology commissioner within 60 days of making a loan or grant for scientifically or technologically related research and development. The notice shall contain a summary of the nature of and significant objectives of the research and development project funded by a grant

or loan. The notice must also include information on the size and timing of previous grants or loans and anticipated additional funding needs. The committee on science and technology research and development shall, at least once each biennium, review scientifically and technologically related research funded by a state agency, board, commission, authority, or institution or other entity, including the Greater Minnesota Corporation, to assess whether or not the research and development is conducted in accordance with the guidelines required by section 116J.970, clause (2), item (ii). The committee's assessment shall be sent to the legislature on or before January 15 of every odd-numbered year.

Sec. 148. Minnesota Statutes 1988, section 116J.971, subdivision 9, is amended to read:

Subd. 9. [STAFF APPOINTMENTS.] ~~The director of the office of science and technology commissioner shall appoint those staff members necessary to perform the functions of the science and technology division duties of the commissioner required under section 116J.970. The director~~ the commissioner shall appoint in the unclassified service an executive director of the committee on science and technology research and development, who shall report to the director. The executive director must hold a postbaccalaureate degree in scientific or technologically related studies, or demonstrate experience in technological policy formulation.

Sec. 149. Minnesota Statutes 1988, section 116J.982, subdivision 1, is amended to read:

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

(a) "Commissioner" means the deputy commissioner of trade and economic development for community development.

(b) "Economic development region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.

(c) "Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2.

(d) "Low income" means an annual income below the federal poverty level.

Sec. 150. [116J.983] [CERTIFIED DEVELOPMENT COMPANY.]

Subdivision 1. [PURPOSE; OBJECTIVES.] The commissioner may create, promote, and assist a development company that will

qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

The commissioner shall use the development company program, in conjunction with the other economic development programs administered by the department, to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as adopted by the United States Small Business Administration and the Minnesota department of trade and economic development, the guidelines contained in the bylaws, the articles of incorporation, and standard operating procedure prescribed by the Small Business Administration.

Subd. 2. [CAPITAL; LOAN LIMITS; MEMBERSHIP REQUIREMENTS.] The capital for a certified development company must be derived from corporate holders or members, each of whom must not have more than ten percent of the voting control of the development company. The company must have a minimum of 25 members. The members of the company from each economic development region must represent, to the greatest extent practical, the same proportion of the membership of the company as the population of the economic development region is of the population of the state.

Subd. 3. [MEMBERS.] Members must be representatives of local government, community organizations, financial institutions, and businesses in Minnesota and must, upon application, have been accepted for membership by a majority vote of the members of the development company's board of directors present at a regular or special meeting of the board at which there is a quorum. Department of trade and economic development staff may not be members of the development company. A "financial institution" is a business organization recognized under Minnesota or federal law as a banking institution, trust company, savings and loan association, insurance company, or a corporation, partnership, foundation, or other institution licensed to do business in Minnesota and engaged primarily in lending or investing money.

Subd. 4. [MEMBERSHIP APPLICATIONS.] Applications for membership must be submitted to the development company's board of directors on forms provided by the commissioner and accompanied by additional information as the form may require. Application forms must provide that if the application is approved and the applicant accepted for membership by the development company's board of directors before withdrawal of the application, the applicant agrees to become a member upon the acceptance and to assume the rights and obligations of a member. Notice of approval or rejection of an application must be forwarded, by certified or

registered United States mail, to the applicant for the attention of the person signing the application, within 15 days following the date when the approval or rejection is made. Approval of the application constitutes acceptance of the applicant as a member of the corporation.

Subd. 5. [OFFICERS.] The executive officers of the development company are a president, one or more vice-presidents including the executive vice-president, a secretary, and a treasurer. None of the officers, except the president, need be directors. One person may hold the offices and perform the duties of any two or more of the offices. The development company's board of directors by majority vote may leave unfilled, for any period it may fix, any office except that of president, treasurer, or secretary.

Subd. 6. [ADMINISTRATION.] The commissioner shall make available staff to provide services to the certified development company. The staff must have the capability to package, process, close, and service loans made through the development company.

Subd. 7. [REPORTS.] The development company shall submit annual operation reports to the Small Business Administration and the state legislature. When requested by the Small Business Administration or the state legislature, interim reports of a similar nature must be provided. The reports must be provided in accordance with the instructions and attachments set by the Small Business Administration. The development company shall comply with all regulations issued under United States Code, title 15, section 697, and applicable state and federal laws affecting its operation.

Subd. 8. [REVOLVING ACCOUNT.] The development company may charge a one-time processing fee up to the maximum allowed by the Small Business Administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the Small Business Administration based on the unpaid balance of each debenture. These fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for the costs of administering the program, including personnel costs; to compensate members of the board of directors under section 15.0575, subdivision 3; and to create and operate a pool of money for investment in projects that further the purposes of this section.

Sec. 151. [TRANSFER.]

The Washington, D.C. office of the department of trade and economic development is transferred to the state planning agency. All powers and duties of the commissioner and office staff under

Minnesota Statutes, section 116J.613, are transferred to the state planning agency under Minnesota Statutes, section 15.039.

Sec. 152. [116K.14] [WASHINGTON OFFICE.]

The commissioner may appoint employees in the Washington, D.C., office of the state of Minnesota in accordance with chapter 43A, and prescribe their duties.

In the operation of the Washington, D.C., office of the state of Minnesota, the commissioner may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Sec. 153. Minnesota Statutes 1988, section 116L.02, is amended to read:

116L.02 [JOB SKILLS PARTNERSHIP PROGRAM.]

The Minnesota job skills partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to train and place workers in identifiable positions as well as assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training displaced workers. A participating business must match the grant-in-aid made by the Minnesota job skills partnership. ~~Preference must be given to a business located in a rural area.~~ The match may be in the form of funding, equipment, or faculty.

Sec. 154. Minnesota Statutes 1988, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: eight members appointed by the governor, ~~the commissioner of trade and economic development,~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 155. Minnesota Statutes 1988, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] The higher education coordinating board

department of trade and economic development shall provide staff and administrative services for the board.

Sec. 156. Minnesota Statutes 1988, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. [GRANTS-IN-AID.] (a) The partnership may provide grants-in-aid to educational or other nonprofit institutions using the following guidelines:

(a) (1) the educational or other nonprofit institution is a provider of training within the state in either the public or private sector;

(b) (2) the program involves skills training that is an area of employment need; and

(c) (3) preference will be given to educational or other nonprofit institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

Grants (b) A single grant to any one institution shall not exceed \$200,000 to any one institution.

Sec. 157. Minnesota Statutes 1988, section 116N.01, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the deputy commissioner of trade and economic development for community development.

Sec. 158. Minnesota Statutes 1988, section 116O.02, is amended by adding a subdivision to read:

Subd. 6. [TECHNOLOGY RELATED ASSISTANCE.] "Technology related assistance" means the transfer of technological information and technologies to assist in the development and production of new technology related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

Sec. 159. Minnesota Statutes 1988, section 116O.03, subdivision 1, is amended to read:

Subdivision 1. [NAME ESTABLISHMENT.] The Greater Minnesota Corporation is established as a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Greater Minnesota Corporation."

Sec. 160. Minnesota Statutes 1988, section 116O.03, is amended by adding a subdivision to read:

Subd. 1a. [PURPOSE.] The purpose of the corporation is to foster long-term economic growth and job creation by stimulating innovation and the development of new products, services, and production processes through technology transfer, applied research, and financial assistance. The corporation's purpose is not to create new programs or services but to build on the existing educational, business, and economic development infrastructure. The primary focus of the corporation's activities must be to benefit new or existing small and medium-sized businesses in greater Minnesota.

Sec. 161. Minnesota Statutes 1988, section 116O.03, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors which consists of the deputy commissioner of trade and economic development for community development and ten other members. The term of a director member other than the commissioner is six years. Vacancies on the board, other than that of the commissioner, are filled by appointment of the board, subject to the advice and consent of the senate. Board members other than the commissioner may receive reasonable compensation and be reimbursed for reasonable expenses, which must be reviewed each year by the commissioner of finance. The deputy commissioner of trade and economic development for community development may only receive reimbursement for reasonable expenses.

Sec. 162. Minnesota Statutes 1988, section 116O.05, is amended to read:

116O.05 [POWERS OF THE CORPORATION.]

Subdivision 1. [GENERAL CORPORATE POWERS.] (a) Except as otherwise provided in this article, The corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.

(b) The state is not liable for the obligations of the corporation.

(c) Section 302A.041 applies to this article chapter and the corporation in the same manner that it applies to business corporations established under chapter 302A.

Subd. 2. [DUTIES.] The corporation shall:

(1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to

individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations;

(3) provide financial assistance under section 1160.06 to assist the development of new products, services, or production processes or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 1160.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 1160.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 1160.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

Subd. 3. [RULES.] The corporation is not subject to chapter 14, but must publish in the State Register any guidelines, policies, rules, or eligibility criteria prepared or adopted by the corporation for any of its financial or technology transfer programs.

Sec. 163. Minnesota Statutes 1988, section 1160.06, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL ASSISTANCE; TYPES.] The corporation may provide financial assistance to individuals, sole proprietorships, ~~businesses~~ partnerships, corporations, other business entities, or for-profit or nonprofit organizations that have (1) received research assistance from a corporation research facility or as a result of a research grant under section 1160.09, subdivision 4, or 1160.011; or (2) received favorable review through a peer review process established under guidelines developed under section 1160.10, subdivision 2. Financial assistance includes, but is not

limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan. Financial assistance under this section is for assisting in the financing of a business's debt financing, product development financing, or working capital needs.

Sec. 164. Minnesota Statutes 1988, section 116O.06, subdivision 5, is amended to read:

Subd. 5. [PREFERENCE.] In providing financial assistance, the corporation must give preference to individuals, sole proprietorships, businesses partnerships, corporations, other business entities, or organizations that are starting or expanding their operations in greater Minnesota.

Sec. 165. Minnesota Statutes 1988, section 116O.08, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of the institutes is to provide applied research and development services to individuals, businesses, or organizations for the purposes of developing the region's economy through the utilization of the region's resources and the development of technology. Research and development services may include on-site research, product development grants, testing of production techniques and product quality, marketing and business management assistance, and feasibility studies.

Sec. 166. Minnesota Statutes 1988, section 116O.08, subdivision 7, is amended to read:

Subd. 7. [DESIGNATED RESEARCH INSTITUTES.] The agricultural utilization research institute established in section 116O.09 is and the natural resources research institute are designated as one two of the regional research institutes authorized under this section.

Sec. 167. Minnesota Statutes 1988, section 116O.14, is amended to read:

116O.14 [AUDITS.]

The corporation board shall contract with a certified public accounting firm to do a financial and compliance audit of the corporation and any subsidiary annually in accordance with generally accepted accounting standards. A copy of this audit must be submitted to the chairs of the senate finance and economic development and housing committees, and the house appropriations and economic development committees.

The books and records of the corporation and any subsidiary, fund,

or entity to be administered or governed by the corporation are subject to audit without previous notice by the legislative auditor. The corporation is subject to the auditing requirements under sections 3.971 and 3.972.

Sec. 168. Minnesota Statutes 1988, section 1160.15, is amended to read:

1160.15 [REPORTS ANNUAL REPORT.]

The board shall submit a report to the appropriate chairs of the senate economic development and housing and the house economic development committees of the legislature and the governor on the activities of the corporation by January February 1 of each year. The report must include, at least, a description of projects supported by the corporation, an account of all grants made by the corporation during the calendar year, the source and amount of all money collected and distributed by the corporation, the corporation's assets and liabilities, an explanation of administrative expenses, and any amendments to the operational plan. the following:

(1) a description of each of the programs that the corporation has provided or undertaken at some time during the previous year. The description of each program must describe (i) the statement of purpose for the program, (ii) the administration of the program including the activities the corporation was responsible for and the responsibilities that other organizations had in administering the program, (iii) the results of the program including how the results were measured, (iv) the expenses of the program paid by the corporation, and (v) the source of corporate and noncorporate funding for the program;

(2) an identification of the sources of funding in the previous year for the corporation and its programs including federal, state and local government, foundations, gifts, donations, fees, and all other sources;

(3) a description of the distribution of all money spent by the corporation in the previous year including an identification of the total expenditures, other than corporate administrative expenditures, by sector of the economy;

(4) a description of the administrative expenses of the corporation during the previous year;

(5) a listing of the assets and liabilities of the corporation at the end of the previous fiscal year;

(6) a list and description of each grant awarded by the corporation during the previous year;

(7) a description of any changes made to the operational plan during the previous year; and

(8) a description of any newly adopted or significant changes to bylaws, programmatic or administrative guidelines, policies, rules, or eligibility criteria for programs created or administered by the corporation during the previous year.

Reports must be made to the legislature as required by section 3.195.

Sec. 169. [APPOINTMENT OF COMMISSIONER.]

Notwithstanding Minnesota Statutes, section 116O.03, subdivision 2, the deputy commissioner of trade and economic development for community development is a member of the Greater Minnesota Corporation's board of directors when the first vacancy on the board occurs.

Sec. 170. Minnesota Statutes 1988, section 116P.08, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURES.] Money in the trust fund may be spent only for:

(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 116P.09.

Sec. 171. Minnesota Statutes 1988, section 116P.08, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162;

(3) costs associated with the decommissioning of nuclear power plants;

(4) (3) hazardous waste disposal facilities;

(5) (4) solid waste disposal facilities; or

(6) (5) projects or purposes inconsistent with the strategic plan.

Sec. 172. Minnesota Statutes 1988, section 116P.13, is amended to read:

116P.13 [MINNESOTA FUTURE RESOURCES ACCOUNT FUND.]

Subdivision 1. [REVENUE SOURCES.] The money in the Minnesota future resources ~~account~~ fund consists of revenue credited under section 297.13, subdivision 1, clause (1).

Subd. 2. [INTEREST.] The interest attributable to the investment of the Minnesota future resources ~~account~~ fund must be credited to the ~~account~~ fund.

Subd. 3. [REVENUE PURPOSES.] Revenue in the Minnesota future resources ~~account~~ fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

Sec. 173. Minnesota Statutes 1988, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.

(b) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

Sec. 174. Minnesota Statutes 1988, section 190.07, is amended to read:

190.07 [APPOINTMENT; QUALIFICATIONS; RANK.]

There shall be an adjutant general of the state who shall be appointed by the governor, ~~who~~. The adjutant general shall be a staff officer, who at the time of appointment shall be a commissioned officer of the national guard of this state, with not less than ten years military service in the armed forces of this state or of the United States, at least three of which shall have been commissioned and who shall have reached the grade of a field officer.

The adjutant general shall hold rank equal to that of the highest rank authorized for the army and air national guard in the table of organization for units allotted to the state by the department of the

army, or the department of the air force, or by both such departments, through the national guard bureau. However, the adjutant general shall not be appointed to the rank of major general without having 20 years service in the national guard, of which two years has been in the rank of brigadier general.

The term of the adjutant general shall hold office as provided by United States Code, title 32, section 314, as amended through is seven years from the date of appointment, and Section 15.06, subdivisions 3, 4, and 5, govern filling of vacancies in the office of adjutant general. The adjutant general shall not be removed from office during a term except upon withdrawal of federal recognition or as otherwise provided by the military laws of this state.

Sec. 175. [192.50] [FINANCIAL INCENTIVES FOR NATIONAL GUARD MEMBERS.]

Subdivision 1. [REENLISTMENT BONUS.] (a) The adjutant general shall establish a program providing a reenlistment bonus for members of the Minnesota National Guard in accordance with this section. An active member of the Minnesota National Guard serving satisfactorily, as defined by the adjutant general, shall be paid \$250 per year for reenlisting in the Minnesota National Guard.

(b) A member must reenlist in the Minnesota National Guard for a minimum of three years.

(c) A member is eligible for subsequent reenlistment bonuses to the extent that total years of bonus eligibility are limited to 12 years.

(d) Bonus payments shall be paid in the month prior to the anniversary of a member's current reenlistment.

(e) A member electing to receive tuition assistance under subdivision 2, shall forfeit the reenlistment bonus for the years that the tuition assistance is provided.

Subd. 2. [TUITION REIMBURSEMENT.] (a) The adjutant general shall establish a program providing tuition reimbursement for members of the Minnesota national guard in accordance with this section. An active member of the Minnesota national guard serving satisfactorily, as defined by the adjutant general, shall be reimbursed for tuition paid to a post-secondary education institution as defined by Minnesota Statutes, section 136A.15, subdivision 5, upon proof of satisfactory completion of course work.

(b) In the case of tuition paid to a public institution located in Minnesota, including any vocational or technical school, tuition is limited to an amount equal to 50 percent of the cost of tuition at that

public institution, except as provided in this section. In the case of tuition paid to a Minnesota private institution or vocational or technical school or a public or private institution or vocational or technical school not located in Minnesota, reimbursement is limited to 50 percent of the cost of tuition for lower division programs in the college of liberal arts at the twin cities campus of the University of Minnesota in the most recent academic year, except as provided in this section.

(c) If a member of the Minnesota national guard is killed in the line of state active duty, the state shall reimburse 100 percent of the cost of tuition for post-secondary courses satisfactorily completed by any surviving spouse and any surviving dependents who are 21 years old or younger. Reimbursement for surviving spouses and dependents is limited in amount and duration as is reimbursement for the national guard member.

(d) The amount of tuition reimbursement for each eligible individual shall be determined by the adjutant general according to rules formulated within 30 days of the effective date of this section. Tuition reimbursement received under this section shall not be considered by the Minnesota higher education coordinating board or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.09 to 136A.132.

Subd. 3. [RECORD KEEPING; RECRUITMENT AND RETENTION; FISCAL MANAGEMENT.] The department of military affairs shall keep an accurate record of the recipients of the reenlistment bonus and tuition reimbursement programs. The department shall report to the legislature on the effectiveness of the reenlistment bonus and tuition reimbursement programs in retaining and recruiting members for the Minnesota National Guard. The report to the legislature shall be made by January 1 of each year. The report shall include a review of the effect that the reenlistment bonus and tuition reimbursement programs have on the enlistment and reenlistment of National Guard members. The report shall include an accurate record of the effect that both the tuition reimbursement program and the reenlistment bonus program have on the recruitment and retention of members by rank, unit location, race, and sex.

The department of military affairs shall make a specific effort to recruit and retain women and members of minority groups into the guard through the use of the tuition reimbursement and reenlistment bonus programs.

Sec. 176. Minnesota Statutes 1988, section 192.51, subdivision 2, is amended to read:

Subd. 2. [ACTIVE DUTY PAY.] When called into active service by

the governor, other than for encampment or maneuvers, including the time necessarily consumed in travel, each enlisted person of the military forces shall be paid by the state the pay and the allowances, when not furnished in kind, provided by law for enlisted persons of similar grade, rating and length of service in the armed forces of the United States, or \$65 \$130 a day, whichever is more.

Sec. 177. Minnesota Statutes 1988, section 196.02, is amended to read:

196.02 [COMMISSIONER OF VETERANS AFFAIRS.]

Subdivision 1. [APPOINTMENT; QUALIFICATIONS.] The department shall be under the supervision and control of a deputy commissioner of for veterans affairs services who shall be appointed by the governor under the provisions of section 15.06. No person shall be eligible to receive appointment as deputy commissioner for veterans services unless that person has the following qualifications:

(1) Residence in the state of Minnesota;

(2) Citizenship in the United States;

(3) Veteran of the armed forces of the United States as defined in section 197.447.

Subd. 2. [BOND OF COMMISSIONER.] The deputy commissioner for veterans services shall give bond to the state in the sum of \$10,000.

Sec. 178. Minnesota Statutes 1988, section 196.021, is amended to read:

196.021 [DEPUTY COMMISSIONERS TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a deputy commissioner for veteran services as provided in subdivision 2, and The board of directors of the Minnesota veterans homes may appoint a deputy commissioner for veteran health care as provided in section 198.004. Both deputy commissioners serve in the unclassified service, the deputy for veteran services at the pleasure of the commissioner and the deputy for veteran health care The deputy commissioner serves in the unclassified service at the pleasure of the board. Both deputies The deputy shall be residents a resident of Minnesota, citizens a citizen of the United States, and veterans a veteran as defined in section 197.447.

Subd. 2. [DEPUTY FOR VETERAN SERVICES; POWERS AND

DUTIES.] The deputy commissioner for veteran services has those powers delegated by the commissioner that have not otherwise been delegated to the deputy commissioner for veteran health care by the deputy commissioner for veterans services or assigned to that deputy commissioner by law. A delegation must be in writing, signed by the deputy commissioner for veterans services, and filed with the secretary of state.

Sec. 179. Minnesota Statutes 1988, section 256.482, subdivision 3, is amended to read:

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm, or corporation, or the federal government offers to the council funds by the way of gift, grant, or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept the offer by majority vote and upon acceptance the chair shall receive the funds subject to the terms of the offer. However, no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Sec. 180. Minnesota Statutes 1988, section 256.482, is amended by adding a subdivision to read:

Subd. 5a. [TECHNOLOGY FOR PEOPLE WITH DISABILITIES.] The council has the following duties related to technology for people with disabilities:

(1) to identify individuals with disabilities, including individuals from underserved groups, who reside in the state and conduct an ongoing evaluation of their needs for technology-related assistance;

(2) to identify and coordinate state policies, resources, and services relating to the provision of assistive technology devices and assistive technology services to individuals with disabilities, including entering into interagency agreements;

(3) to provide assistive technology devices and assistive technology services to individuals with disabilities and payment for the provision of assistive technology devices and assistive technology services;

(4) to disseminate information relating to technology-related assistance and sources of funding for assistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(5) to provide training and technical assistance relating to as-

sistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(6) to conduct a public awareness program focusing on the efficacy and availability of assistive technology devices and assistive technology services for individuals with disabilities;

(7) to assist statewide and community-based organizations or systems that provide assistive technology services to individuals with disabilities;

(8) to support the establishment or continuation of partnerships and cooperative initiatives between the public sector and the private sector;

(9) to develop standards, or where appropriate, apply existing standards to ensure the availability of qualified personnel for assistive technology devices;

(10) to compile and evaluate appropriate data relating to the program; and

(11) to establish procedures providing for the active involvement of individuals with disabilities, the families or representatives of the individuals, and other appropriate individuals in the development and implementation of the program, and for individuals with disabilities who use assistive technology devices and assistive technology services, for their active involvement, to the maximum extent appropriate in decisions relating to the assistive technology devices and assistive technology services.

Sec. 181. [TRANSFER.]

The council on technology for people with disabilities, created by executive order number 86-12, is transferred to the council on disability. Minnesota Statutes, section 15.039, applies to this transfer.

Sec. 182. [290.432] [CORPORATE NONGAME WILDLIFE CHECKOFF.]

A corporation that files an income tax return may designate on its original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that corporation and paid into the nongame wildlife management account established by section 290.431 for use by the section of wildlife

in the department of natural resources for its nongame wildlife program. The commissioner of revenue shall, on the corporate tax return, notify filers of their right to designate that a portion of their tax return be paid into the nongame wildlife management account for the protection of endangered natural resources. All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be spent unless the commission has approved the work program.

The state pledges and agrees with all corporate contributors to the nongame wildlife account to use the funds contributed solely for the nongame wildlife program and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of those programs.

Sec. 183. Minnesota Statutes 1988, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in a separate and special fund, designated as the tobacco tax revenue fund, in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources account fund;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended,

is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 184. Minnesota Statutes 1988, section 299D.03, subdivision 7, is amended to read:

Subd. 7. [DISCHARGE OF TROOPER.] Every person employed and designated as a state trooper under and pursuant to the provisions of this section, after ~~six~~ 12 months of continuous employment, shall continue in service and hold the position without demotion, until suspended, demoted, or discharged in the manner hereinafter provided for one or more of the causes specified herein.

Sec. 185. Minnesota Statutes 1988, section 302A.821, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF REPEATED VIOLATION.] If a corporation fails for ~~two~~ three consecutive years to file a registration pursuant to the requirements of subdivision 1, the secretary of state shall give notice by ~~registered~~ first class mail to the corporation at its registered office that it has violated this section and is subject to dissolution by the office of the secretary of state if the delinquent registrations are not filed pursuant to subdivision 1 within 60 days after the mailing of the notice.

Sec. 186. Minnesota Statutes 1988, section 302A.821, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] (a) A corporation that has failed for ~~two~~ three consecutive years to file a registration pursuant to the requirements of subdivision 1, has been notified of the failure pursuant to subdivision 4, and has failed to file the delinquent registrations during the 60-day period described in subdivision 4, may be dissolved by the secretary of state as described in paragraph (b).

(b) Immediately after the expiration of the 60-day period described in paragraph (a), if the corporation has not filed the delinquent registrations, the secretary of state shall issue a certificate of involuntary dissolution, and a copy of the certificate shall be filed in the office of the secretary of state. The original certificate and a notice explaining that the corporation has been dissolved shall be sent to the registered office of the corporation. The secretary of state shall annually inform the attorney general and the commissioner of revenue of the names of corporations dissolved under this section during the preceding year. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781, subdivision 1. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

Sec. 187. Minnesota Statutes 1988, section 307.08, subdivision 5, is amended to read:

Subd. 5. The cost of authentication, identification, marking, and rescue of unmarked or unidentified burial grounds or burials shall be the responsibility of the state. The data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by the state.

Sec. 188. Minnesota Statutes 1988, section 336.9-302, is amended to read:

336.9-302 [WHEN FILING IS REQUIRED TO PERFECT SECURITY INTEREST; SECURITY INTERESTS TO WHICH FILING PROVISIONS OF THIS ARTICLE DO NOT APPLY.]

(1) A financing statement must be filed to perfect all security interest except the following:

(a) A security interest in collateral in possession of the secured party under section 336.9-305;

(b) A security interest temporarily perfected in instruments or

documents without delivery under section 336.9-304 or in proceeds for a 20 day period under section 336.9-306;

(c) A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

(d) A purchase money security interest in consumer goods; but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in section 336.9-313;

(e) An assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;

(f) A security interest of a collecting bank (section 336.4-208) or in securities (section 336.8-321) or arising under the article on sales (see section 336.9-113) or covered in subsection (3) of this section;

(g) An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder.

(2) If a secured party assigns a perfected security interest, no filing under this article is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(3) The filing of a financing statement otherwise required by this article is not necessary or effective to perfect a security interest in property subject to the following statutes or treaties; except that to the extent such statutes or treaties are silent on a specific matter, the provisions of this article shall govern:

(a) a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this article for filing of the security interest; or

(b) the following statutes of this state;

(i) Sections 168A.01 to 168A.31 and sections 194 to 214; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this article (part 4) apply to a security interest in that collateral created by the person as a debtor; or

(ii) Sections 300.11 to 300.115.

(c) a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is

required as a condition of perfection (subsection (2) of section 336.9-103).

(4) Compliance with a statute or treaty described in subsection (3) is equivalent to the filing of a financing statement under this article, and a security interest in property subject to the statute or treaty can be perfected only by compliance therewith except as provided in section 336.9-103 on multiple state transactions. A security interest perfected by compliance with such a statute or treaty is governed by this article in all respects not inconsistent with the provisions of the statute or treaty under which it was perfected, provided that this article shall not be deemed inconsistent if it provides for a more extensive duration of effectiveness.

Sec. 189. Minnesota Statutes 1988, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, assignment, or continuation statement is filed, or to whom a request for search is made, shall collect a \$2 ~~\$3~~ surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the uniform commercial code account.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain

the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 190. Minnesota Statutes 1988, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4, or section 349.212; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

Sec. 191. Minnesota Statutes 1988, section 356.215, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of sections 3.85 and 356.20 to 356.23, each of the following terms shall have the meaning given:

(1) "Actuarial valuation" means a set of calculations prepared by an approved actuary to determine the normal cost and the accrued actuarial liabilities of a benefit plan, according to a stated actuarial cost method and based upon stated assumptions including, but not limited to rates of interest, mortality, salary increase, disability, withdrawal, and retirement and to determine the payment necessary to amortize over a stated period any unfunded accrued actuarial liability disclosed as a result of the actuarial valuation and the resulting actuarial balance sheet of the benefit plan.

(2) "Approved actuary" means a person who is regularly engaged in the business of providing actuarial services and who has at least 15 years of service to major public employee pension or retirement funds or who is a fellow in the society of actuaries.

(3) "Entry age actuarial cost method" means an actuarial cost method under which the actuarial present value of the projected benefits of each individual currently covered by the benefit plan and included in the actuarial valuation is allocated on a level basis over the service of the individual if the benefit plan is governed by section 69.773 or over the earnings of the individual if the benefit plan is governed by any other law between the entry age and the assumed exit age, with the portion of this actuarial present value which is allocated to the valuation year to be the normal cost and the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs to be the actuarial accrued liability, with aggregation in the calculation process to be the sum of the calculated result for each covered individual and with recognition given to any different benefit formulas which may apply to various periods of service.

(4) "Experience study" means a report which provides experience data and an actuarial analysis which substantiate the actuarial assumptions on which valuations are based.

(5) "Expected future statutory supplemental contributions" means the sum of future employee and employer contributions at the rates specified in statute when the valuation is completed, reduced by the present value of future normal costs.

(6) "Current assets" means, for funds governed by section 69.77 in cities of the first class with over 300,000 population, the value of all assets at cost, which includes realized capital gains or losses, plus two-thirds of any unrealized capital gains or losses. For all other funds, current assets means the value of all assets at cost, which includes realized capital gains or losses, plus one-third of any unrealized capital gains or losses.

(7) "Unfunded actuarial accrued liability" means total current and expected future benefit obligations less the sum of current assets and the present value of future normal costs.

Sec. 192. Minnesota Statutes 1988, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 354 other than the variable annuity fund governed by section 354.62, and 490, the actuarial valuation shall use a preretirement interest assumption of eight percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on

which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year. For funds governed by chapter 354A, the actuarial valuation shall use preretirement and postretirement assumptions of eight percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the actuarial valuation shall reflect the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For funds governed by section 69.77, in cities of the first class with over 300,000 population, the actuarial valuation shall use an annual preretirement interest assumption of six percent, an annual postretirement interest assumption of six percent, and an annual salary increase assumption of four percent. For all other funds, the actuarial valuation shall use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

For funds governed by chapters 3A, 352C, and 490, the actuarial valuation shall use a preretirement interest assumption of eight percent, a postretirement interest assumption of five percent, and an assumption that in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083; subdivision 1, whichever is applicable, or from applicable compensation council recommendations under section 15A.082, the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.

Sec. 193. Minnesota Statutes 1988, section 361.03, is amended by adding a subdivision to read:

Subd. 3a. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivision 3, that is 17 feet in length or longer, for management of purple loosestrife and Eurasian water milfoil according to law.

CHAPTER 361A

WATERCRAFT TITLING

Sec. 194. [361A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 3. [DEALER.] "Dealer" means a person who: (1) is in the business of manufacturing, distributing, selling, or purchasing new or used watercraft; (2) has an established place of business for the sale, trade, and display of watercraft; and (3) possesses watercraft for the purpose of sale or trade.

Subd. 4. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 5. [DEPUTY REGISTRAR.] "Deputy registrar" means a person appointed or hired by the commissioner of public safety under section 168.33.

Subd. 6. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of constructing or assembling watercraft required to have a certificate of title.

Subd. 7. [MANUFACTURER'S OR IMPORTER'S CERTIFICATE OF ORIGIN.] "Manufacturer's or importer's certificate of origin" means a certificate with the authorized signature of the manufacturer or importer of a watercraft, describing and identifying the watercraft, giving the name and address of the person to whom the watercraft is first sold by the manufacturer or importer, and containing executed assignments of the watercraft to an applicant for a certificate of title on the watercraft in this state.

Subd. 8. [OWNER.] "Owner" means a person, other than a secured party, having the title to a watercraft. "Owner" includes a person entitled to use or possess the watercraft, subject to a security interest in another person, reserved or created by agreement and securing payment of performance of an obligation, but "owner" does not include a lessee under a lease not intended as security.

Subd. 9. [PERSON.] "Person" means an individual, firm, partnership, association, corporation, or governmental organization.

Subd. 10. [SECURED PARTY.] "Secured party" means a secured party as defined in section 336.9-105, subsection (1)(m), having a security interest in a watercraft and includes a lienholder.

Subd. 11. [SECURITY AGREEMENT.] "Security agreement" has the meaning given it in section 336.9-105, subsection (1)(l).

Subd. 12. [SECURITY INTEREST.] "Security interest" has the meaning given it in section 336.1-201, subsection (37), and includes statutory liens for which lien statements are filed.

Subd. 13. [TITLED WATERCRAFT.] "Titled watercraft" means a watercraft required to have a certificate of title under section 195, subdivision 1, or for which a certificate of title has been issued under section 195, subdivision 3.

Subd. 14. [WATERCRAFT.] "Watercraft" means a device used or designed for navigation on water that is greater than 14 feet in length, as defined in section 361.02, subdivision 14, but does not include:

(1) a row-type fishing boat of single hull construction, with oar locks and an outboard motor capacity rating of less than 40 horsepower;

(2) a canoe;

(3) a kayak;

(4) a ship's lifeboat;

(5) a vessel of at least five net tons measured in Code of Federal Regulations, title 46, part 69, that is documented under Code of Federal Regulations, title 46, subpart 67.01; or

(6) a seaplane.

Subd. 15. [WATERS OF THIS STATE.] "Waters of this state" means waters capable of substantial public use and waters to which the public has access, that are within the territorial limits of this state, including boundary waters.

Sec. 195. [361A.02] [CERTIFICATE OF TITLE REQUIRED.]

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a watercraft used on the waters of the state must have a certificate of title if:

(1) the watercraft is owned by a resident of this state and is kept in the state for more than 90 consecutive days; or

(2) the watercraft is kept in the state for more than 60 consecutive days and has not been issued a certificate of title or similar document from another jurisdiction.

Subd. 2. [EXEMPT WATERCRAFT.] A watercraft is not required to have a certificate of title if the watercraft is:

(1) owned by a manufacturer or dealer and held for sale;

- (2) used by a manufacturer solely for testing;
- (3) from a jurisdiction other than this state, temporarily using the waters of this state;
- (4) owned by the United States, a state, this state, or a political subdivision;
- (5) a duck boat used only during duck hunting season;
- (6) a rice boat used only during the wild rice harvesting season;
- (7) owned by a person, firm, or corporation operating a resort as defined in section 157.01, subdivision 1, or a recreational camping area as defined in section 327.14, subdivision 8, except with respect to a previously titled watercraft; or
- (8) watercraft manufactured prior to August 1, 1979.

Subd. 3. [VOLUNTARY TITLING.] The owner of a device used or designed for navigation on water and used on the waters of this state may obtain a certificate of title for the device, even though it is not a watercraft as defined in section 194, subdivision 14, in the same manner and with the same effect as the owner of a watercraft required to be titled under this act. Once titled, the device is a titled watercraft as defined in section 194, subdivision 13, and is and remains subject to this act to the same extent as a watercraft required to be titled.

Subd. 4. [TITLE REQUIRED FOR TRANSFER.] A person may not sell or otherwise transfer a titled watercraft without delivering to the person acquiring the watercraft a certificate of title with an assignment on it to show title in the person acquiring the watercraft. A person may not acquire a watercraft required to have a certificate of title without obtaining a certificate of title for the watercraft in the person's name.

Subd. 5. [NO LEGAL TITLE WITHOUT CERTIFICATE.] A person acquiring a watercraft through a sale or gift does not acquire a right, title, claim, or interest in the watercraft until the person has been issued a certificate of title to the watercraft or has received a manufacturer's or importer's certificate. A waiver or estoppel does not operate in favor of that person against another person who has obtained possession of the certificate of title or manufacturer's or importer's certificate for the watercraft for valuable consideration.

Subd. 6. [WATERCRAFT LICENSE MAY NOT BE ISSUED WITHOUT TITLE.] The commissioner may not issue or renew a watercraft license to an owner of a titled watercraft unless the

owner has been issued or has applied for a certificate of title for the watercraft.

Sec. 196. [361A.03] [APPLICATION AND ISSUANCE OF CERTIFICATE OF TITLE.]

Subdivision 1. [APPLICATION.] The owner of a titled watercraft must apply for the first certificate of title of a watercraft in this state to the commissioner or a deputy registrar on a form prescribed by the commissioner. The appropriate fee under section 204 must accompany the application. The application must be signed by the owner and contain:

(1) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;

(2) a description of the watercraft including its make, model, year, length, the principal material used in construction, the builder's hull identification number, and the manufacturer's inboard engine serial number;

(3) the date of purchase by the applicant, the name and address of the person from whom the watercraft was acquired;

(4) the name and address of the person who is to possess the title and any conditions of possession; and

(5) other information required by the commissioner to determine whether the owner is entitled to a certificate of title and whether security interests exist in the watercraft.

Subd. 2. [ISSUANCE.] (a) The commissioner shall issue a certificate of title for a watercraft upon verification that:

(1) the application is genuine;

(2) the applicant is the owner of the watercraft; and

(3) payment of the required fee.

(b) The original certificate of title must be mailed to the first secured party disclosed in the application or, if none, to the owner named in the application.

Subd. 3. [CONTENTS.] (a) A certificate of title issued by the commissioner must contain:

(1) the date issued;

(2) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;

(3) the names and addresses of secured parties;

(4) the title number assigned to the watercraft;

(5) a description of the watercraft including its make, model, year of manufacture, length, principal material used in construction, registration number, and manufacturer's hull identification number or, if none, the builder's hull identification number assigned to the watercraft by the commissioner;

(6) spaces for assignment of title by the owner or by the dealer and for warranting that the signer is the owner and that the watercraft is not subject to security interests, liens, or encumbrances except as noted on the face of the certificate of title;

(7) spaces on the certificate for application of title by a new owner subject to the security interests of secured parties named and for the assignment or release of the security interest of a secured party; and

(8) other information the commissioner may require.

(b) A certificate of title issued by the commissioner is prima facie evidence of the facts appearing on it.

Subd. 4. [ISSUANCE WITHOUT ABSOLUTE PROOF OF OWNERSHIP] (a) If application is made for a certificate of title for a watercraft and the commissioner is not satisfied of the ownership of the watercraft or the existence of security interests in the watercraft, the watercraft may be assigned a title number but the commissioner must:

(1) withhold issuance of a certificate of title until the applicant presents documents that satisfy the commissioner of the applicant's ownership of the watercraft and of security interest in the watercraft; or

(2) require the applicant to file a bond in the form prescribed by the commissioner and executed by the applicant as a condition to issuing a certificate of title.

(b) A bond filed under this subdivision must be accompanied by the deposit of cash or executed by a surety company authorized to do business in this state. The bond must be in an amount equal to one and one-half times the value of the watercraft as determined by the commissioner. The bond must be conditioned to indemnify prior owners, secured parties, and later purchasers of the watercraft or persons acquiring a security interest in the watercraft, or successors

in interest of the persons, against expenses, losses, or damages, including reasonable attorney fees, by reason of the issuance of the certificate of title to the watercraft or on account of a defect in or undisclosed security interest upon the right, title, and interest of the applicant in the watercraft.

(c) An interested person has a right of action to recover on the bond for a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

(d) The commissioner shall return the bond and any deposit accompanying the bond if:

(1) the commissioner has not been notified of the pendency of an action to recover on the bond;

(2) questions of ownership and outstanding security interests have been resolved to the satisfaction of the commissioner;

(3) the bond has been posted for three years or the watercraft is not registered for license purposes in this state under section 361.03; and

(4) the currently valid certificate of title is surrendered.

Subd. 5. [RECORDS.] (a) The commissioner shall maintain records of certificates of title issued under this section according to one of the following systems:

(1) under a distinctive title number assigned to a watercraft;

(2) under the registration number awarded to a watercraft in accordance with the registration and numbering law of the state where it is registered;

(3) alphabetically, under the name of the owner; or

(4) under another system determined by the commissioner.

(b) Records relating to watercraft titling maintained by the commissioner are public records and are open to public inspection during regular office hours.

Subd. 6. [GROUNDS FOR REFUSAL TO ISSUE CERTIFICATE OF TITLE.] The commissioner may not issue a certificate of title if a required fee is not paid or the commissioner has reasonable grounds to believe that:

(1) the applicant is not the owner of the watercraft;

(2) the application contains a false statement; or

(3) the applicant failed to furnish required information or documents or additional information the commissioner reasonably requires.

Sec. 197. [361A.04] [DEALER ACQUISITION AND TRANSFER.]

Subdivision 1. [CERTIFICATE OF ORIGIN REQUIRED.] (a) A dealer may not purchase or acquire a new titled watercraft without obtaining a manufacturer's or importer's certificate of origin from the seller.

(b) A manufacturer, importer, dealer, or other person may not sell or otherwise dispose of a new titled watercraft to a dealer for purposes of display and resale without delivering to the dealer a manufacturer's or importer's certificate of origin.

Subd. 2. [CONTENTS OF CERTIFICATE.] The manufacturer's or importer's certificate of origin must be of a form prescribed by the commissioner and contain:

(1) a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, and hull identification number;

(2) certification of the date of transfer of the watercraft and the name and address of the person to whom the watercraft was transferred;

(3) certification that the transfer of the watercraft was in ordinary trade and commerce;

(4) the signature and address of a representative of the person transferring the watercraft;

(5) an assignment form, including the name and address of the person the watercraft is to be transferred to; a certification that the watercraft is new, and a warranty that the title at the time of delivery is subject only to the security interests stated on the title; and

(6) other information required by the commissioner.

Subd. 3. [SALE OF NEW WATERCRAFT.] A dealer selling or exchanging a new titled watercraft, before delivering the watercraft to a purchaser, shall apply to the commissioner for a new title in the name of the purchaser. The application must contain the name and address of any secured party holding a security interest created or reserved at the time of sale and the date of the security agreement

and must be accompanied by a manufacturer's or importer's certificate of origin. The application must be signed by the dealer and the owner, and the dealer shall promptly mail or deliver the application to the commissioner or a deputy registrar.

Subd. 4. [USED WATERCRAFT ACQUIRED FOR RESALE.] (a) If a dealer buys or acquires a used titled watercraft for resale, the dealer must apply to the commissioner or deputy registrar and obtain a title number before selling or exchanging the watercraft in the same manner as a new watercraft on forms the commissioner provides or apply for and obtain a certificate of title.

(b) If a dealer acquires a used titled watercraft for resale and the watercraft is covered by a certificate of title that is surrendered to the dealer by the owner at the time of delivery of the watercraft, the dealer need not send the certificate of title to the commissioner. Upon transferring the watercraft to another person, the dealer must promptly execute the assignment, showing the name and address of the person to whom the watercraft is transferred and forward the certificate to the commissioner or deputy registrar with the application for a new certificate of title.

Subd. 5. [WATERCRAFT WITH FOREIGN REGISTRATION.] (a) Except as provided in paragraph (b), an application for a certificate of title for a watercraft last registered in another state or foreign country must contain or be accompanied by:

(1) a certificate of title or registration issued by the other state or foreign country; and

(2) other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of security interests.

(b) If the state or foreign country where the watercraft was last registered does not issue certificates of title, the application must contain or be accompanied by:

(1) a proper bill of sale or sworn statement of ownership, certificate of registration, or evidence of ownership as required by the law of the state or foreign country; and

(2) any other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of security interests.

Sec. 198. [361A.05] [TRANSFER BY OWNER.]

Subdivision 1. [VOLUNTARY TRANSFER.] (a) An owner who transfers a titled watercraft must execute the assignment and

warranty of title to the person to whom the watercraft is transferred in the space provided on the certificate of title where the watercraft is delivered.

(b) The person acquiring the watercraft must obtain a new certificate of title by applying to the commissioner or a deputy registrar on a form prescribed by the commissioner, and submitting the required fee. The application for certificate of title must be filed within 15 days after delivery of the watercraft to the person acquiring the watercraft.

(c) Upon request of the owner or the person who acquired the watercraft, a secured party in possession of the certificate of title must deliver the certificate to the person acquiring the watercraft, the commissioner, or a deputy registrar, unless the transfer is a breach of the security agreement. The delivery of the certificate does not affect the rights of the secured party under the security agreement.

(d) If a security interest or encumbrance is first created at the time of transfer of ownership, the certificate must be retained by or delivered to the secured party.

Subd. 2. [TRANSFER BY LAW.] (a) Except as otherwise provided in this chapter, if the ownership of a titled watercraft is transferred by operation of law, including inheritance or bequest, order in bankruptcy, insolvency, replevin, execution, sale, or satisfaction of mechanic's lien, or repossession upon default in performance of the terms of a security agreement, the person acquiring the watercraft by operation of law must promptly submit the last certificate of title, if available, or the manufacturer's or importer's certificate or other satisfactory proof of the transfer of ownership to the commissioner or deputy registrar with the application for a new certificate of title and the required fee.

(b) If a secured party acquires a titled watercraft under the terms of a security agreement or by operation of law, the secured party must promptly submit to the commissioner, a deputy registrar, or the person acquiring the watercraft from the secured party the last certificate of title, if available, an application for a new certificate of title with the required fee, and an affidavit by the secured party or an authorized representative stating the facts entitling the secured party to possession and ownership of the watercraft, including a copy of the journal entry, court order, or instrument upon which the claim of possession and ownership is founded. If the secured party cannot produce the required proof of ownership, the secured party may submit other evidence with the application and the commissioner may issue a new certificate of title if the evidence provides satisfactory proof of ownership.

Sec. 199. [361A.06] [TEMPORARY WATERCRAFT USE PERMITS.]

Subdivision 1. [ISSUANCE TO TITLE APPLICANT.] (a) The commissioner may issue a temporary watercraft use permit to a person applying for a certificate of title for a new or used watercraft to allow that person to operate the watercraft on the waters of this state pending completion of the titling and watercraft licensing process.

(b) The watercraft use permit must be carried aboard the watercraft to allow immediate inspection. The watercraft use permit must contain a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, hull identification number, and other information prescribed by the commissioner. A permit is valid only for the watercraft for which it is issued.

Subd. 2. [DISTRIBUTION TO DEALERS.] The commissioner may distribute permits in booklet form to licensed dealers. If the dealer issues a permit, the dealer must submit a watercraft use permit information form to the commissioner. The commissioner must provide information forms that require the name of the person to whom the watercraft use permit was issued, the watercraft description, dates of issue and expiration, and other information prescribed by the commissioner.

Sec. 200. [361A.07] [DUPLICATE CERTIFICATE.]

Subdivision 1. [FORM AND ISSUANCE.] (a) The commissioner may issue a duplicate certificate of title under this section. The duplicate certificate of title must be a certified copy plainly marked "duplicate" across its face and must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate." It must be mailed to the first secured party named in it or, if none, to the owner. The commissioner shall indicate in the department records that a duplicate has been issued.

(b) As a condition to issuing a duplicate certificate of title, the commissioner may require a bond from the applicant in the manner and form prescribed in section 196, subdivision 4, paragraph (b).

Subd. 2. [WAITING PERIOD TO ISSUE NEW CERTIFICATE OF TITLE.] The commissioner may not issue a new certificate of title to a person acquiring a watercraft under an application made on a duplicate certificate of title until at least 15 days after receiving the application.

Subd. 3. [DISAPPEARANCE OF ORIGINAL CERTIFICATE.] If a certificate of title is lost, stolen, or destroyed, the owner or legal representative of the owner named in the certificate may obtain a

duplicate by applying to the commissioner, furnishing information the commissioner requires concerning the original certificate, and the circumstances of its loss or destruction.

Subd. 4. [MUTILATED OR ILLEGIBLE CERTIFICATE.] If an original certificate of title is mutilated or rendered illegible, the person in possession of the title must return it to the commissioner with the application for a duplicate.

Subd. 5. [RECOVERY OF LOST OR STOLEN CERTIFICATE.] If a lost or stolen certificate of title for which a duplicate has been issued is recovered, the lost or stolen certificate of title must be surrendered promptly to the commissioner for cancellation.

Sec. 201. [361A.08] [SUSPENSION OR REVOCATION OF CERTIFICATE.]

Subdivision 1. [SUSPENSION OR REVOCATION.] The commissioner shall suspend or revoke a certificate of title upon notice and reasonable opportunity to be heard if authorized by law or if the commissioner finds that:

(1) the certificate of title was fraudulently procured or erroneously issued; or

(2) the watercraft has been scrapped, dismantled, or destroyed.

Subd. 2. [DUTIES OF OWNER.] If the commissioner suspends or revokes a certificate of title, the owner or person in possession of the certificate of title, immediately upon receiving notice of the suspension or revocation, shall mail or deliver the certificate to the commissioner.

Subd. 3. [SEIZURE OR IMPOUNDMENT.] The commissioner may seize and impound a certificate of title that has been suspended or revoked.

Subd. 4. [SUBSEQUENT GOOD FAITH PURCHASER.] Suspension or revocation of a certificate of title does not affect the validity of a subsequent transfer to a purchaser relying in good faith on the assignment of a suspended or revoked title if the certificate of title was not surrendered to or seized by the commissioner under subdivisions 2 and 3, and the commissioner shall issue a new certificate of title to an applicant who is a good faith purchaser for value in those circumstances.

Sec. 202. [361A.09] [RESPONSIBILITIES OF COMMISSIONER.]

The commissioner shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and

other notices and forms necessary to implement this chapter. In addition, the commissioner may:

(1) make necessary investigations to procure information required to implement this chapter;

(2) assign a new hull identification number to a watercraft if the watercraft does not have a number or the number is destroyed or obliterated; or

(3) adopt and enforce rules necessary to implement this chapter.

Sec. 203. [361A.10] [PENALTIES.]

Subdivision 1. [FELONY.] A person is guilty of a felony and punishable by imprisonment for a term of not more than four years, or payment of a fine of not more than \$5,000, or both, if the person with fraudulent intent:

(1) uses a false or fictitious name or address, makes a material false statement, fails to disclose a security interest, or conceals any other material fact in an application for a certificate of title; or

(2) submits a false, forged, or fictitious document in support of an application for a certificate of title.

Subd. 2. [MISDEMEANOR.] A person is guilty of a misdemeanor if that person:

(1) with fraudulent intent permits another to use or possess a certificate of title who is not entitled to use or possess the certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the commissioner or a deputy registrar within ten days after the time required;

(3) willfully fails to deliver to a person acquiring a watercraft a certificate of title within ten days after the time required;

(4) commits a fraud in an application for a certificate of title; or

(5) fails to notify the commissioner of a fact as required by law.

Sec. 204. [361A.11] [TITLE FEES.]

Subdivision 1. [FEES.] (a) The fee to be paid to the commissioner:

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$15;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$10;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of \$3.25 is imposed on every application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

Subd. 2. [CONCURRENT APPLICATIONS.] If a person applies for an original or a new certificate of title for a watercraft concurrently with an application for transfer of license of the watercraft to the applicant, the fee prescribed in subdivision 1 is in lieu of the fee prescribed by section 361.03 for a transfer of ownership or license of the watercraft to the applicant.

Subd. 3. [FEES PAID BEFORE TITLE ISSUED.] Subject to subdivision 2, the commissioner may not issue a certificate of title for a watercraft until the fees prescribed by subdivision 1 and section 361.03 for a prior transfer of ownership or license of the watercraft have been paid.

Subd. 4. [DEPOSIT OF FEE.] Fees collected under this section must be deposited in the state treasury and credited to the water recreation account, except a deputy registrar who originates an application shall retain the filing fee under subdivision 1, paragraph (b).

Sec. 205. [361A.12] [INAPPLICABLE LIENS AND SECURITY INTERESTS.]

The requirements of this chapter relating to security interests and certificate of title do not apply to or affect:

(1) a lien given by statute or rule of law to a supplier of services or materials for the watercraft while the watercraft is in the possession of the lienholder;

(2) a lien given by statute to the United States, this state, or a political subdivision of this state; or

(3) a security interest in a watercraft created by a manufacturer or dealer who holds the watercraft for sale.

Sec. 206. [361A.13] [SECURITY INTERESTS.]

Subdivision 1. [VALIDITY.] Unless excepted by section 205, a security interest in a titled watercraft is not valid against creditors of the owner or subsequent transferees or secured parties of the watercraft unless perfected as provided in this chapter.

Subd. 2. [PERFECTION.] A security interest is perfected by the delivery to the commissioner of the existing certificate of title, if any, or an application for a certificate of title, containing the name and address of the secured party, the date of the security agreement, and the required fee. It is perfected as of the time of its creation if the delivery is completed within the following ten days. In other instances it is perfected as of the time of the delivery. The method provided in this chapter is exclusive.

Sec. 207. [361A.14] [OWNER-CREATED SECURITY INTEREST.]

Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.

(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.

(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.

(c) Upon request of the owner or subordinate secured party, a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.

(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the

new secured party, and mail or deliver the certificate to the first secured party named on it.

Sec. 208. [361A.15] [LICENSED WATERCRAFT PREVIOUSLY PERFECTED.]

If a security interest in a previously licensed watercraft is perfected under other applicable Minnesota law on January 1, 1991, the security interest continues perfected:

(1) until its perfection lapses under the law under which it was perfected or would lapse in the absence of a further filing; or

(2) until a certificate of title for the watercraft is issued and the security interest is perfected under section 206.

The assignment, release, or satisfaction of a security interest in a previously licensed watercraft is governed by the laws under which it was perfected.

Sec. 209. [361A.16] [SATISFACTION OF SECURITY INTEREST.]

Subdivision 1. [RELEASE.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of the secured party, the secured party, within 15 days, shall execute a release of the security interest in the space provided on the certificate or as prescribed by the commissioner, and mail or deliver the certificate and release to the next secured party named or, if none, to the owner or a person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the watercraft for resale, shall promptly have the certificate, the release, and the required fee mailed or delivered to the commissioner, who shall release the secured party's rights on the certificate or issue a new certificate.

Subd. 2. [RELEASE OF SUBORDINATE SECURITY INTEREST.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall execute a release in the form prescribed by the commissioner and, within 15 days after satisfaction, deliver the release to the owner or a person who delivers to the secured party.

Sec. 210. [361A.17] [DISCLOSURE OF SECURITY AGREEMENT.]

A secured party named in a certificate of title, upon written request of the owner or other secured party named on the certificate,

must disclose pertinent information about the security agreement and the indebtedness secured by it.

Sec. 211. [361A.18] [EFFECT OF SUSPENSION OR REVOCATION ON SECURITY INTEREST.]

Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

Sec. 212. [361A.19] [PREVIOUSLY LICENSED WATERCRAFT UNDISCLOSED SECURITY INTERESTS.]

If the commissioner is not satisfied that there are no undisclosed security interests created before the watercraft is initially titled, the commissioner may, in addition to its options under section 196, subdivision 4, issue a distinctive certificate of title for the watercraft containing the legend: "This watercraft may be subject to an undisclosed lien," and any other information the commissioner prescribes.

Sec. 213. [361A.20] [LIENS ATTACHING TO WATERCRAFT.]

(a) A nonpossessory lien on a titled watercraft is not perfected unless a lien statement is filed with the commissioner.

(b) The lien statement must include:

(1) the watercraft owner's name and address;

(2) the statute under which the lien is taken;

(3) the name and address of the lienholder; and

(4) the title number of the watercraft.

(c) The commissioner shall note the time and date of filing the lien statement.

Sec. 214. [361A.21] [STOLEN WATERCRAFT.]

Subdivision 1. [DUTY OF PEACE OFFICERS.] A peace officer aware of a stolen or converted watercraft shall immediately furnish the commissioner with information concerning the theft or conversion.

Subd. 2. [DUTY OF COMMISSIONER.] The commissioner, upon receiving a report of the theft or conversion of a watercraft, shall record the report information, including the make of the stolen or converted watercraft and its builder's hull identification number, if

any. The commissioner shall prepare a list of watercraft reported stolen and those recovered as disclosed by the reports submitted. The report may be distributed as the commissioner deems advisable.

Subd. 3. [DUTY OF OWNER.] If a stolen or converted watercraft is recovered, the owner shall immediately notify the commissioner.

Sec. 215. Minnesota Statutes 1988, section 423A.02, subdivision 1, is amended to read:

Subdivision 1. Any municipality in which is located a local police or salaried firefighters' relief association to which the provisions of section 69.77, apply, unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to section 423A.01, subdivision 1, shall be entitled upon application as required by the commissioner of revenue to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1 and 3, and 69.77. The amount of amortization state aid to which a municipality is entitled annually shall be an amount

Subd. 2. (a) Beginning in calendar year 1989, a city of the first class with a population in excess of 300,000 whose local police or salaried firefighters' relief association has not been consolidated into the public employees police and fire fund prior to January 1, 1989, is annually entitled to amortization state aid equal to the sum of:

(1) the level annual dollar amount required to amortize, by December 31, 2010, the unfunded accrued liability of the special fund of the appropriate relief association as reported in the December 31, 1978, actuarial valuation of the relief association prepared pursuant to sections 356.215 and 356.216, reduced by the dollar amount required to pay the interest on the unfunded accrued liability of the special fund of the relief association for calendar year 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4), plus

(2) the product of \$1,000,000 times the proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the most recent actuarial valuations of the relief associations eligible to receive amortization state aid according to subdivision 1, less

(3) the difference between the total annual costs of the fund calculated using the salary assumption, interest assumption, and definition of current assets specified in Minnesota Statutes 1988, section 356.215, and the total annual costs of the fund calculated

using the interest assumption, salary assumption, and definition of current assets specified in sections 191 and 192.

(b) Beginning in calendar year 1989, a municipality other than a city of the first class with a population in excess of 300,000 whose local police or salaried firefighters' relief association has not been consolidated into the public employees police and fire fund prior to January 1, 1989, is annually entitled to amortization state aid equal to the sum of:

(1) the level annual dollar amount required to amortize, by December 31, 2010, the unfunded accrued liability of the special fund of the appropriate relief association as reported in the December 31, 1978, actuarial valuation of the relief association prepared pursuant to sections 356.215 and 356.216, reduced by the dollar amount required to pay the interest on the unfunded accrued liability of the special fund of the relief association for calendar year 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4), plus

(2) the product of \$1,000,000 times the proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the most recent actuarial valuations of the relief associations eligible to receive amortization state aid according to subdivision 1.

Payment of amortization state aid to municipalities shall be made directly to the municipalities involved in four equal installments on March 15, July 15, September 15 and November 15 annually. Upon receipt of amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association. The commissioner of revenue shall prescribe and periodically revise the form for and content of the application for the amortization state aid. The amounts required to pay the amortization state aid are hereby annually appropriated from the general fund to the commissioner of revenue.

Sec. 216. Minnesota Statutes 1988, section 423A.02, subdivision 2, is amended to read:

Subd. 2. 3. Any municipality which has qualified for amortization state aid under subdivision 1 and which consolidated a local salaried police or salaried firefighters fund into the public employees police and fire fund prior to January 1, 1989, shall continue upon application to be entitled to receive the same amounts as received in 1988 of amortization state aid and supplementary amortization state aid authorized by Laws 1984, chapter 564, section 48. Any municipality which was qualified for amortization state aid under subdivision 1 and which consolidates a local salaried police or salaried firefighters fund into the public employees police and fire fund after January 1,

1989, shall continue upon application to be entitled to receive amortization state aid after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund.

Sec. 217. [462A.057] [MINNESOTA RURAL AND URBAN HOMESTEADING PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] There is established the Minnesota rural and urban homesteading program to be administered by the agency for grants to eligible applicants to acquire, rehabilitate, and sell eligible property. The program is directed at single family residential properties in need of rehabilitation that are sold to "at risk" homebuyers committed to strengthening the neighborhood and following a good neighbor policy.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) "Contract for deed" is the agreement between the homebuyer and eligible applicant as established by the agency.

(2) "Eligible organization" or "organization" means a political subdivision, nonprofit or cooperative organization, as defined by the agency, housing and redevelopment authority, or other organization designated by the agency, which demonstrates the capacity to perform the duties outlined in subdivision 5.

(3) "Eligible property" or "property" means a single family residential dwelling and surrounding property that is vacant, condemned, abandoned, or otherwise defined as eligible by the agency, which, if rehabilitated, may prevent or arrest the spread of blight.

(4) "Homebuyer" means an individual or family who has not owned a residential dwelling in the past three years and meets the definition of "at risk" established by the agency under subdivision 4.

(5) "Designated home ownership area" or "designated area" means a specific area where the acquisition, rehabilitation, and sale of eligible properties may take place under this section. In the metropolitan area, as defined in section 473.121, subdivision 2, a designated area must be a specific four square block area.

(6) "Neighborhood volunteer resident advisory board" or "advisory board" means the board established by an organization under subdivision 6.

(7) "Program" means the Minnesota rural and urban homesteading program established in subdivision 1.

Subd. 3. [GRANTS.] The agency may award grants of up to \$300,000 to eligible organizations. The grants must be used by the organization to buy eligible properties and pay for the costs of rehabilitating those properties. Up to \$30,000 of the grant award may be used for the administrative costs of the organization and for other costs associated with the acquisition and sale of properties under this program including the payment of taxes on the property during the period between the purchase and sale of the property.

Subd. 4. [AGENCY POWERS; DUTIES.] The agency shall:

(1) establish criteria for selecting which eligible organizations that apply for grants under this section receive the grants;

(2) establish criteria for targeting the program to homebuyers who are at risk which is defined to include families and individuals who are homeless, receiving public assistance, or otherwise cannot afford home ownership; and

(3) establish the terms and provisions of the contract for deed and other program standards as necessary.

Subd. 5. [ELIGIBLE ORGANIZATION; CAPACITY.] The eligible organization must demonstrate to the agency that it has the capacity to:

(1) organize and continue an ongoing relationship with the neighborhood volunteer resident advisory boards required under subdivision 6;

(2) provide the necessary staff to administer the program on the local level for an extended period; and

(3) select and acquire property that meets the requirements established for this program and contract with businesses or organizations for the rehabilitation of the property.

Subd. 6. [NEIGHBORHOOD VOLUNTEER RESIDENT ADVISORY BOARD.] Each organization must establish a neighborhood volunteer resident advisory board for each designated area. The advisory board must:

(1) recommend to the organization properties that may be acquired for the program in the designated area; and

(2) recommend to the organization the selection of homebuyers.

Subd. 7. [PURCHASE AND REHABILITATION.] An eligible organization may acquire up to five properties in a designated area with the consent of the advisory board for that area. The organiza-

tion must rehabilitate these properties to the standards established by the agency.

Subd. 8. [SALE OF PROPERTY TO HOMEBUYER.] The eligible organization may sell rehabilitated property to homebuyers. The terms and other provisions of the contract for deed must be established by the agency.

Subd. 9. [REPORTS.] Each organization that receives a grant under this section shall submit an annual report to the agency by December 1 of each year that describes the use of grant funds received under this section.

The agency shall prepare and submit an annual report to the legislature and the governor by January 15 of each year, beginning in 1991, that summarizes the reports of the organizations. The agency's report may also include recommendations to improve the program.

Sec. 218. [462A.073] [SERVICING OF LOANS.]

The agency, when selecting entities to service loans in which it has an interest, shall:

(1) establish specific standards to measure the performance of entities that are servicing the loans;

(2) base its selection on the entity's ability to service the loans. The agency may base the selection on an entity's past performance in servicing loans for the agency or other lender; and

(3) contract, whenever possible, with more than one entity to service any one type of loan in order to minimize financial risk to the agency and to the state.

Sec. 219. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 15. It may make grants to eligible organizations for the Minnesota rural and urban homesteading program under section 155 and may pay the costs and expenses necessary and incidental to the grant program.

Sec. 220. [462A.28] [HOME EQUITY CONVERSION LOAN COUNSELING PROGRAM.]

The Minnesota housing finance agency shall select and contract with a nonprofit corporation to administer a home equity conversion loan counseling program for senior homeowners. The organization selected must meet the following requirements:

(1) its primary purpose is to assist elderly persons in obtaining and maintaining affordable housing;

(2) it is knowledgeable about reverse mortgage programs;

(3) it has experience in counseling older persons on housing, including knowledge of alternative living arrangements for older persons; and

(4) it has knowledge of existing public support programs for older persons.

Sec. 221. [462A.29] [PROGRAM RESPONSIBILITIES.]

The organization selected to administer the counseling program in section 220 must perform the following program responsibilities with program clients:

(1) conduct a review of reverse mortgage programs, including the advantages, disadvantages, and alternatives;

(2) explain the effects of the mortgage on the client's estate and public benefits;

(3) explain the lending process; and

(4) discuss the client's supplemental income needs.

Sec. 222. [MINNESOTA RURAL AND URBAN HOMESTEADING PROGRAM PILOT PROJECT.]

The Minnesota housing finance agency may award five pilot project grants. The agency may not award more than two pilot project grants in a county. The agency shall award five pilot project grants to five different organizations that would administer the program in one of the following areas: (1) city of Minneapolis; (2) city of St. Paul; (3) a city in the seven county metropolitan area other than the cities of St. Paul or Minneapolis; (4) a city located outside the seven county metropolitan area with a population greater than 35,000; and (5) a city located outside the seven county metropolitan area with a population less than 35,000.

Sec. 223. [473.155] [METROPOLITAN WATER USE AND SUPPLY PLAN.]

Subdivision 1. [PLAN COMPONENTS.] The metropolitan council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the state planning agency. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area;

(2) identify alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought conditions; and

(3) recommend approaches to resolving problems that may develop because of water use and supply. Consideration must be given to problems that occur outside of the metropolitan area, but which have an effect within the area.

Subd. 2. [COMPLETION AND REPORT.] The short-term plan must be completed by February 1, 1990. The long-term plan must be completed by July 1, 1990, and continually updated as the need arises. The plans must be prepared in consultation with the Army Corps of Engineers, the Leech Lake Reservation business committee, the Mississippi headwaters board, department of natural resources, and the environmental quality board. Both plans must be given to the metropolitan affairs and natural resources committees of the house of representatives and senate, and be available to the public.

Sec. 224. Minnesota Statutes 1988, section 473.877, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 473.875 to 473.883, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:

(a) the authority to prepare, adopt, and implement a plan for the watershed meeting the requirements of section 473.878;

(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land in the watershed when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program

of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land;

(d) the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that projects may be carried out under the powers granted in chapter 112 or 473 and sections 106A.005 to 106A.811 and that proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878; and

(e) the authority to prohibit appropriations for nonessential uses, as prescribed in section 105.418, that are below the minimum amount established under section 105.41, subdivision 1b, from any public water basin or wetland and protected watercourses that have a drainage area less than 25 square miles; and

(f) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Sec. 225. Minnesota Statutes 1988, section 480.01, is amended to read:

480.01 [JUSTICES; TERMS; TRAVEL EXPENSES.]

Subdivision 1. [JUSTICES; TERMS.] The supreme court shall consist of one chief justice and six associate justices, who shall hold one term of court each year, at the seat of government, commencing on the first Tuesday after the first Monday in January, with such continuations or adjournments thereof during the year as may be necessary for the dispatch of the business coming before the court. When the chief justice of the court shall be absent from the state, or shall be, for any reason, incapacitated from acting as such, the associate justice present within the state and not incapacitated who shall have served the longest time, or when there are two or more associate justices of equal terms of service, then the associate justice, whom the chief justice shall designate as senior associate justice as such, shall have and exercise all the powers, duties, and functions of the chief justice during the absence or incapacity and shall be, during such absence or incapacity, the presiding justice of the court.

Subd. 2. [TRAVEL EXPENSES.] Travel expenses shall be paid by the state in the same manner and amount as provided for judges of the district court in section 484.54.

Sec. 226. Minnesota Statutes 1988, section 480.241, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF SURCHARGE; COLLECTION BY COURT ADMINISTRATORS.] A plaintiff, petitioner, defendant, respondent, intervenor or moving party in any district, county, or ~~municipal trial court~~ civil action or civil proceeding in which an initial filing fee is payable by that party, except a marriage dissolution or conciliation court action, shall pay to the court administrator of district or county court or court administrator of the municipal courts of Hennepin county or Ramsey county a surcharge of \$10 ~~\$25~~ in addition to the initial filing fee otherwise prescribed. For such a civil action or civil proceeding commenced on and after July 1, 1987, the surcharge is \$20. A plaintiff, defendant, or moving party in any conciliation court action in which an initial filing fee is payable shall pay to the court administrator of conciliation court a surcharge of \$2 ~~\$3~~ in addition to the initial filing fee otherwise prescribed. Notwithstanding any other law or rule to the contrary, no surcharge shall be paid by any governmental unit of the state of Minnesota, any local unit of government, or agency thereof; when the governmental unit, local government, or agency thereof is a party to any civil action or civil proceeding in the municipal courts of Hennepin or Ramsey counties, or in any county court.

Sec. 227. Minnesota Statutes 1988, section 480.241, subdivision 2, is amended to read:

Subd. 2. [TRANSMITTAL OF SURCHARGE TO SUPREME COURT STATE TREASURER.] Notwithstanding any other law or rule to the contrary, all surcharges collected pursuant to subdivision 1 shall be transmitted monthly by the district, county, and conciliation court court administrators and municipal court administrators to the supreme court state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 228. Minnesota Statutes 1988, section 480.242, is amended to read:

480.242 [DISTRIBUTION OF SURCHARGE CIVIL LEGAL SERVICES FUNDS TO QUALIFIED LEGAL SERVICES PROGRAMS.]

Subdivision 1. [ADVISORY COMMITTEE.] The supreme court shall establish an advisory committee to assist it in performing its responsibilities under sections 480.24 to 480.244. The advisory committee shall consist of 11 members appointed by the supreme court including seven attorneys-at-law who are well acquainted with the provision of legal services in civil matters, two public members who are not attorneys and two persons who would qualify as eligible clients. Four of the attorney-at-law members shall be nominated by the state bar association in the manner determined by it, and three of the attorney-at-law members shall be nominated by the programs

in Minnesota providing legal services in civil matters on July 1, 1982, with funds provided by the federal Legal Services Corporation in the manner determined by them. In making the appointments of the attorney-at-law members, the supreme court shall not be bound by the nominations prescribed by this section. In making appointments to the advisory committee, the supreme court shall ensure that urban and rural areas of the state are represented. The supreme court shall adopt by rule policies and procedures for the operation of the advisory committee including, but not limited to, policies and procedures governing membership terms, removal of members, and the filling of membership vacancies.

Subd. 2. [REVIEW OF APPLICATIONS; SELECTION OF RECIPIENTS.] At times and in accordance with any procedures as the supreme court adopts in the form of court rules, applications for the expenditure of civil legal services funds collected pursuant to section 480.241 shall be accepted from qualified legal services programs or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court, shall distribute the funds received pursuant to section 480.241, subdivision 2 to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. Subject to the provisions of subdivision 4, the funds shall be distributed in accordance with the following formula:

(a) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program, as determined by the supreme court on the basis of the 1980 national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil matters to eligible clients.

(b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, or (2) to programs for training mediators operated by nonprofit alternative dispute resolution corporations. Grants may be made pursuant to this clause only until June 30, 1987. If all the funds to be distributed pursuant to this clause cannot be distributed because of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause (a).

Subd. 3. [TIMING OF DISTRIBUTION OF FUNDS.] The funds to be distributed to recipients selected in accordance with the provisions of subdivision 2 shall be distributed by the supreme court no less than twice per calendar year.

Subd. 4. [ADMINISTRATION.] The supreme court may retain up to five percent of the funds received pursuant to section 480.241, subdivision 2 to defray the costs incurred in executing its responsibilities and the responsibilities of the advisory committee under sections 480.24 to 480.244.

Sec. 229. Minnesota Statutes 1988, section 484.54, subdivision 2, is amended to read:

Subd. 2. A judge shall be paid travel and subsistence expenses for travel from the judge's place of residence to and from the judge's permanent chambers only for a period of two years after July 1, 1977 or the date the judge initially assumes office, whichever is later.

Sec. 230. Minnesota Statutes 1988, section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.]

In addition to the salary specified in section 486.05, the court reporter may charge for a transcript of a record ordered by any person other than the judge, the attorney general's office, or the board of public defense, 50 cents per original folio thereof and ten cents per folio for each manifold or other copy thereof when so ordered that it can be made with the original transcript. The chief judge of the judicial district may by order establish new transcript fee ceilings annually.

A court reporter may impose a fee authorized under this section only if the transcript is delivered to the person who ordered it within a reasonable time after it was ordered.

Sec. 231. Minnesota Statutes 1988, section 611.17, is amended to read:

611.17 [FINANCIAL INQUIRY; STATEMENTS.]

Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit, ~~unless waived in whole or in part by the court,~~ a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, source or sources of income, and any other information required by the court. The state public defender shall furnish appropriate forms for the financial statements. The information contained in the statement shall be

confidential and for the exclusive use of the court, except for any prosecution under section 609.48. A refusal to execute the financial statement constitutes a waiver of the right to the appointment of a public defender.

Sec. 232. Minnesota Statutes 1988, section 611.21, is amended to read:

611.21 [SERVICES OTHER THAN COUNSEL.]

(a) Counsel, whether or not appointed by the court, for a defendant who is financially unable to obtain investigative, expert, or other services necessary to an adequate defense in the case may request them in an ex parte application. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee thereof, shall may not exceed ~~\$300~~ \$1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that specifically state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals. The court of appeals shall give this appeal an expedited hearing.

Sec. 233. Minnesota Statutes 1988, section 611.215, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND RESPONSIBILITIES.] (a) The state board of public defense shall appoint the state public defender, who serves full time for a term of four years. The board must shall prepare an annual report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and appointed counsel systems public defense corporations. The board shall approve and recommend to the legislature a budget for the board, the office of state public defender, the judicial district public defenders, and the public defense corporations. The board shall establish procedures for distribution of state funding under this chapter to the state and district public defenders, including Hennepin and Ramsey county public defenders, and to the public defense corporations.

(b) The board shall establish standards for the offices of the state and district public defenders and for the conduct of all appointed counsel systems. The standards must include, but are not limited to:

(1) standards needed to maintain and operate an office of public defender including requirements regarding the qualifications, training, and size of the legal and supporting staff for a public defender or appointed counsel system;

(2) standards for public defender caseloads;

(3) standards and procedures for the eligibility for appointment, assessment, and collection of the costs for legal representation provided by public defenders or appointed counsel;

(4) standards for contracts between a board of county commissioners and a county public defender system for the legal representation of indigent persons;

(5) standards prescribing minimum qualifications of counsel appointed under the board's authority or by the courts; and

(6) standards ensuring the economical and efficient delivery of legal services, including alternatives to the present geographic boundaries of the public defender districts.

The board may require the reporting of statistical data, budget information, and other cost factors by the state and district public defenders and appointed counsel systems.

The state board of public defense shall design and conduct programs for the training of all state and district public defenders,

appointed counsel, and attorneys for public defense corporations funded in section 611.26.

Sec. 234. Laws 1971, chapter 355, section 1, subdivision 2, is amended to read:

Subd. 2. The lake conservation district shall be governed by a board composed of members elected by the governing bodies of the municipalities included in the district. Each municipality shall elect one member two members. The term of office of each member shall be three years.

Sec. 235. Laws 1987, chapter 386, article 2, section 22, is amended to read:

Sec. 22. [LOAN PROGRAMS TERMINATED; ADMINISTRATION; CREDIT OF REPAYMENTS.]

The following loan programs administered by the Minnesota energy and economic development authority are terminated: the special assistance program under section 116M.07, subdivision 11, except for the small business development loans; the technology product loan program; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. Loan repayments, earnings, releases from insurance reserve accounts, and other income from these programs must be paid to the the deputy commissioner of energy trade and economic development for community development, who shall deposit them in the state treasury and credit them to the greater Minnesota general fund.

Sec. 236. Laws 1987, chapter 386, article 9, section 19, is amended to read:

Sec. 19. [LOAN REPAYMENTS.]

The deputy commissioner of energy trade and economic development for community development shall credit money received before July 1, 1987, from loan repayments, earnings, releases from insurance reserve accounts, and other income from the following programs to the Minnesota agricultural and economic development fund: the special assistance program under section 116M.07, subdivision 11, except for the small business development loans; the technology product loan program; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. The deputy commissioner of energy trade and economic development for community development shall credit

money received on or after July 1, 1987, to the greater Minnesota general fund.

Sec. 237. Laws 1988, chapter 686, article 2, section 10, is amended to read:

Sec. 10. [REPEALER.]

Sections 1 to 3 are repealed July 1, 1991. Sections 4 to 8 are repealed July 1, ~~1990~~ 1991.

Sec. 238. [CAREER DEVELOPMENT GRANTS.]

Subdivision 1. [AUTHORITY.] The commissioner of employee relations may make career development grants to state employees in the executive, judicial, or legislative branch who have at least three years of state service.

Subd. 2. [PURPOSE OF GRANTS.] The grants may be used to fund projects that examine government practices in Minnesota, other states, the United States, and foreign countries. The projects must be short-term and designed to investigate new methods for delivering state services.

Subd. 3. [AMOUNT OF GRANT MATCHING.] The maximum grant amount is \$3,000. The grant must be matched by the agency employing the grantee.

Subd. 4. [GRANT APPLICATIONS.] The commissioner must publicize the grant program to eligible grant applicants. The commissioner shall develop and make available a grant application form. Only persons applying for grants on the application form are eligible for grants.

Subd. 5. [GRANT CRITERIA.] The commissioner shall award grants to those projects which the commissioner decides have the best prospects for improving delivery of state services. The decision of the commissioner is final with no right of appeal.

Subd. 6. [REPORT TO LEGISLATURE.] The commissioner shall report on the grant program to the legislature by January 1, 1991.

Sec. 239. [INTERIM PERMITTING AND USE REQUIREMENTS FOR COMBUSTION OF REFUSE-DERIVED FUEL.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Refuse-derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces

the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

(c) "Solid fuel fire boiler" means a device that is designed to combust solid fuel, including, but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

(d) "Minor physical or operational modifications" means physical or operational changes that do not increase the rated energy production capacity of a solid fuel fired boiler and which do not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

Subd. 2. [INTERIM PERMITTING AND USE OF REFUSE-DERIVED FUEL.] (a) The provisions in this subdivision are applicable to the permitting and use of refuse-derived fuel in solid fuel fired boilers for an interim period that expires on occurrence of the earliest of the following events:

(1) final adoption of rules by the United States Environmental Protection Agency establishing new permitting, emissions, or performance requirements for municipal waste combustion facilities;

(2) final adoption of rules by the pollution control agency establishing new standards of performance for incinerators or solid waste energy recovery facilities; or

(3) June 30, 1991.

(b) Existing or new solid fuel fired boilers may utilize refuse-derived fuel for up to 50 percent of their rated heat input capacity during the interim period under the following conditions:

(1) utilization of refuse-derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse-derived fuel does not cause a violation of existing United States Environmental Protection Agency emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler;

(3) the solid fuel fired boiler has a valid permit to operate; and

(4) the boiler meets reasonable test burn requirements set by the pollution control agency.

The results from the test burn shall be used solely for purposes of

determining permitting for purposes of this provision and for no other purpose.

Sec. 240. [WASTE MANAGEMENT BOARD; POWERS AND DUTIES RESTORED.]

The powers and duties of the waste management board transferred from it by or as a result of reorganization order number 155 under Minnesota Statutes, section 16B.37, including functions of the waste tire office, are transferred back to it under Minnesota Statutes, section 15.039. The waste management board is not subject to further transfers under Minnesota Statutes, section 16B.37.

Sec. 241. [AIRPORT NEEDS STUDY.]

The metropolitan council shall study the need for reclassifying airports owned by the metropolitan airports commission from minor to intermediate. The study must include an examination of the need for the reclassification based on the present and anticipated future demand for airport facilities in the metropolitan area including the consideration of the current and potential capacity constraints of existing intermediate class airports and the Minneapolis-St. Paul international airport.

The metropolitan council shall submit a report to the legislature by January 15, 1991. The report must include recommendations on whether (i) the aviation plan should be amended to change the classification of existing airports owned by the metropolitan airports commission from minor to intermediate; and (ii) the metropolitan airports commission should expand or upgrade the facilities of a specific airport owned by the commission.

Sec. 242. [SHORELAND GRANTS.]

The commissioner of natural resources may make grants to local governments:

(1) to administer, monitor, and enforce state approved shoreland management ordinances;

(2) to adopt shoreland management ordinances consistent with statewide standards;

(3) to develop comprehensive lake by lake or river shoreland management strategies that provide a unique plan to guide activities on and adjacent to a lake or river; and

(4) to implement elements of a comprehensive lake or river management strategy.

Sec. 243. [ACTION ON GRANT APPLICATIONS.]

Upon receipt of a request for a grant under section 242, the commissioner of natural resources must confer with the local government requesting the grant and may make a grant based on the following considerations:

(1) the number and classification of lakes and rivers in the jurisdiction of the local government;

(2) the extent of current shoreland development;

(3) the development trends for the lakes and rivers;

(4) the miles of lake and river shoreline;

(5) whether the shoreland management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner;

(6) the degree and effectiveness of administration, enforcement, and monitoring of the existing shoreland ordinances;

(7) the ability of the local government to finance the program or project; and

(8) the degree to which the program considers a comprehensive approach to lake or river management including land use, recreation, water levels, surface water use, fish, wildlife, and water quality that may be secondary to the other elements.

Sec. 244. [LIMITATIONS.]

(a) The maximum annual grant to local government for purposes of section 242, clauses (1) and (2), may not exceed the local contribution to the shoreland management activity.

(b) Any federal program aid for shoreland management shall serve to reduce the state and local contribution to the activity.

Sec. 245. [ADJUTANT GENERAL.]

Section 174 does not apply to the person who is adjutant general on the effective date of section 174.

Sec. 246. [EXOTIC SPECIES MANAGEMENT AND MONITORING.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "exotic species" means nonnative plants or wild animals that have the potential to harm the environment, or threaten native plants or wild animals.

Subd. 2. [TASK FORCE.] (a) An interagency task force is created to establish a long-term program on exotic species management. The task force shall be composed of the commissioner or director of the departments of natural resources, agriculture, health, transportation, and board of water and soil resources, and three people with special expertise in the private sector on exotic plants or animals, to be appointed by the commissioner of natural resources who shall also serve as chair.

(b) Each commissioner or director may designate a delegate from their respective state agencies to represent that commissioner on the task force.

(c) The three private citizens on the task force may be reimbursed for their necessary expenses in attending task force meetings according to Minnesota Statutes, section 15.0575.

Subd. 3. [DUTIES; RESPONSIBILITIES.] The task force shall:

(1) identify the existing and potential exotic species threats to the state's environment;

(2) rank the exotic species identified according to their degree of threat;

(3) develop a long term management program for exotic species control; and

(4) report on findings and recommendations to the natural resources committees in the house and senate by January 1, 1990, along with any necessary changes in legislation.

Sec. 247. [INSTRUCTION TO THE REVISOR.]

(a) The revisor shall change references to "commissioner of trade and economic development" to "deputy commissioner of trade and economic development for community development," wherever those words appear in Minnesota Statutes 1990 and subsequent editions of the statutes.

(b) The revisor shall change references to "Minnesota future resources commission" to "legislative commission on Minnesota resources" wherever they appear in the 1990 edition of Minnesota Statutes and subsequent editions of the statutes.

(c) The revisor shall change the term "commissioner" to "deputy commissioner for veterans services," whenever "commissioner" refers to the commissioner of veterans affairs in Minnesota Statutes 1990 and subsequent editions of the statutes.

(d) The revisor shall reinstate references to "waste management board" or "board" where it refers to the waste management board wherever the term was changed to another board or agency as a result of reorganization order number 155 in laws enacted during the 1989 legislative session.

(e) If legislation is enacted in the 1989 legislature to change section numbers of provisions governing watercraft licensing or to recodify those provisions into chapter 361A, the revisor of statutes shall correct cross-references to those provisions in this act and renumber the sections of Minnesota Statutes in this act consistent with those changes.

Sec. 248. [REPEALER.]

(a) Minnesota Statutes 1988, sections 3.865; 3.866; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 85A.01, subdivision 1b; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 198.001, subdivision 5; 469.148; 469.149; 480.242, subdivision 4; 480.245; 611.07; 611.071; 611.25, subdivision 2; Laws 1983, chapter 334, section 7, as amended by Laws 1987, chapters 384, article 3, section 27; 386, article 10, section 8; and 401, section 36; Laws 1988, chapter 686, article 1, sections 14, paragraph (j), and 21; and article 2, section 9, are repealed.

(b) Laws 1984, chapter 564, section 48, is repealed on the day following final enactment for payments made after March 20, 1989.

Sec. 249. [EFFECTIVE DATE.]

(a) Section 193 is effective January 1, 1990. Section 173 is effective retroactively to any treatment after May 26, 1988.

(b) Sections 64; 65; 81; 83; 175; 191; 192; 215; 216; and 223 are effective the day following final enactment. Payments made under Laws 1984, chapter 564, section 48, for 1989 shall be counted in determining aids for 1989 under section 214.

(c) Section 182 is effective for forms filed for taxable year beginning after December 31, 1989.

(d) Except as otherwise provided in this paragraph, sections 188

and 194 to 214 are effective January 1, 1991. A watercraft that is owned and licensed under section 361.03 before January 1, 1991, is not required to have a certificate of title under sections 188 and 194 to 214 until the owner transfers part of an interest in the watercraft, grants a security interest in the watercraft, or renews the license.

(e) Sections 85 to 121 are effective March 1, 1991, with the exception of section 85, clause (5), which is effective March 1, 1990. Section 124 is effective March 1, 1990.

(f) Section 246 is effective June 1, 1989, and is repealed June 30, 1990.

ARTICLE 2

PROCEEDS OF STRIPPER WELL LITIGATION

Section 1. [STRIPPER WELL LITIGATION.]

Subdivision 1. The appropriations in this section are added to the appropriations made in Laws 1988, chapter 686, article 1, section 37, and are available immediately after enactment.

Subd. 2. \$173,500 is appropriated to the commissioner of administration for a grant to Bemidji State University for research on the biotechnical conversion of peat to energy and other useful products.

Subd. 3. \$272,800 is appropriated to the commissioner of administration for a grant to the University of Minnesota, Crookston, for research on short rotation intensive culture of hybrid poplars for the production of petroleum substitutes.

Subd. 4. \$272,900 is appropriated to the commissioner of administration for a grant to the city of Minneapolis energy office to develop programs for promoting energy efficiency in multifamily buildings and small businesses.

Subd. 5. \$336,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota southwest experiment station for research and on farm adoption of energy efficient and conservation farming methods in Minnesota.

Subd. 6. \$284,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota, St. Anthony Falls hydraulics laboratory for economic hydropower development in Minnesota.

Subd. 7. \$102,500 is appropriated to the commissioner of admin-

istration for a grant to the self-reliance center for a demonstration program on low cost furnace efficiency.

Subd. 8. \$45,000 is appropriated to the commissioner of administration for a grant to the Staples technical institute for a natural air and low temperature grain drying demonstration project.

Subd. 9. \$107,500 is appropriated to the commissioner of administration for a grant to the energy resource center for a project evaluating domestic hot water supply options in multifamily buildings.

Subd. 10. \$255,000 is appropriated to the commissioner of administration for a grant to the upper Minnesota valley regional development commission for research and analysis of the biological, engineering, and economic issues surrounding the lowering of feedstock costs into polyhydroxybutyrate (PHBV) biodegradable plastic resin plants.

Subd. 11. \$57,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota extension service 4H youth development for a University of Minnesota bicycle promotion program to increase the number of bicycle commuters.

Subd. 12. \$724,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota cold climate research center for research and demonstration projects using alternative sources of energy and to promote energy efficiency in buildings located in cold climates.

Subd. 13. \$100,000 is appropriated to the commissioner of administration for administration of the grants program. One complement position is authorized.

Subd. 14. It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit semiannual progress reports and work plans in the form determined by the legislative commission on Minnesota resources.

Sec. 2. [REPEALER.]

Laws 1988, chapter 686, article 1, section 37, subdivision 10, is repealed.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day after final enactment.

ARTICLE 3
YEAR OF THE CITY

Section 1. [469.201] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [CITY.] "City" means a city of the first class as defined in section 410.01. For each city, a port authority, housing and redevelopment authority, or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.

Subd. 3. [CITY COUNCIL.] "City council" means the city council of a city as defined in subdivision 2.

Subd. 4. [MATCHING MONEY.] (a) "Matching money" means money received or committed from nonpublic sources generated by or for activities or programs that are part of the revitalization program. Matching money does not include money from the city's general fund, proceeds of bonds issued by the city, or money given by the state to fund any part of the revitalization program.

Subd. 5. [COMMISSIONER.] "Commissioner" means the deputy commissioner of trade and economic development for community development.

Subd. 6. [HOUSING ACTIVITIES.] "Housing activities" include any work or undertaking to provide housing and related services and amenities primarily for persons and families of low or moderate income. This work or undertaking may include the planning of buildings and improvements; the acquisition of real property that may be needed immediately or in the future for housing purposes and the demolition of any existing improvements; the construction, reconstruction, alteration, and repair of new and existing buildings; and the provision of all equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, site preparation, and landscaping. Housing activities also include the provision of a housing rehabilitation and energy improvement loan and grant program with respect to any residential property located within the targeted neighborhood, the cost of relocation relating to acquiring property for housing activities, and programs authorized by chapter 462C.

Subd. 7. [LOST UNIT.] "Lost unit" means a rental housing unit that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit that is not a cooperative, converted to a nonresidential use, or because the gross

rent to be charged exceeds 125 percent of the gross rent charged for the unit six months before the start of rehabilitation.

Subd. 8. [PERSONS AND FAMILIES OF LOW INCOME.] "Persons and families of low income" means persons and families of low income as defined in section 469.002, subdivision 17.

Subd. 9. [PERSONS AND FAMILIES OF MODERATE INCOME.] "Persons and families of moderate income" means persons and families of moderate income as defined in section 469.002, subdivision 18.

Subd. 10. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the Bureau of Census of the United States Department of Commerce that a city council determines in a resolution adopted under section 2, subdivision 1, meets the criteria of section 2, subdivision 2, and any additional area designated under section 2, subdivision 3.

Subd. 11. [TARGETED NEIGHBORHOOD MONEY.] "Targeted neighborhood money" means the money designated in the revitalization program to be used to implement the revitalization program.

Subd. 12. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the targeted neighborhood revitalization and financing program adopted in accordance with section 3.

Sec. 2. [469.202] [DESIGNATION OF TARGETED NEIGHBORHOODS.]

Subdivision. 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements in subdivision 2 or 3.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets two of the following three criteria:

(a) The area had an unemployment rate that was twice the unemployment rate for the standard metropolitan statistical area as determined by the most recently available federal decennial census.

(b) The median household income in the area was no more than half the median household income for the standard metropolitan

statistical area as determined by the most recently available federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this paragraph if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the most recently available federal decennial census.

For the purposes of this subdivision, standard metropolitan statistical area means (i) the Minneapolis and St. Paul standard metropolitan statistical area for the purposes of designating targeted neighborhoods in Minneapolis and St. Paul, and (ii) the Duluth and Superior standard metropolitan statistical area for the purposes of designating targeted neighborhoods in Duluth.

Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] A city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" has the meaning determined by the commissioner.

Sec. 3. [469.203] [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]

Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] For each targeted neighborhood for which a city requests state financial assistance under section 4, the city must prepare a comprehensive revitalization and financing program that includes the following:

(1) the revitalization objectives of the city for the targeted neighborhood;

(2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;

(3) the extent to which the activities identified in clause (2) will benefit low- and moderate-income families, will alleviate the blighted condition of the targeted neighborhood, or will otherwise assist in the revitalization of the targeted neighborhood;

(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur;

(5) a description of the process to involve the residents of the targeted neighborhood in the preparation and implementation of the program; and

(6) a financing program and budget that identifies the financial resources necessary to implement the revitalization program, including:

(i) the estimated total cost to implement the revitalization program;

(ii) the estimated cost to implement each activity in the revitalization program identified in clause (2);

(iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 4 to implement the revitalization program, including the amount of private investment expected to result from the use of public money in the targeted neighborhood;

(iv) the estimated amount of the appropriation available under section 4 that will be necessary to implement the revitalization program;

(v) a description of the activities identified in the revitalization program for which the state appropriation will be committed or spent; and

(vi) a statement of how the city intends to meet the requirement for a financial contribution from city matching money in accordance with section 4, subdivision 3.

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN PREPARING REVITALIZATION PROGRAM.] A city requesting state financial assistance under section 4 shall adopt a process to involve the residents of targeted neighborhoods in the planning, development, drafting, and implementation of the revitalization program. As part of the process, the city shall ensure that this community-based process has sufficient resources to assist in the development of the revitalization program. The process to involve residents of the targeted neighborhood must include at least one public hearing. The city of Minneapolis shall establish the community-based process as outlined in subdivision 3. The city of St. Paul shall use the same community-based process the city used in planning, developing, drafting, and implementing the revitalization program required under Laws 1987, chapter 386, article 6, section 6. The city of Duluth shall use the same citizen participation process the city used in planning, developing, and implementing the federal funded community development program.

Subd. 3. [COMMUNITY PARTICIPATION; MINNEAPOLIS.] (a) For the purposes of this subdivision, "city" means the city of Minneapolis.

(b) The city shall adopt a process to involve the residents in targeted neighborhoods and assisted housing in planning, developing, and implementing the program. As part of this process, the city shall ensure that this community-based process has sufficient resources to assist in the development of the program and that the advisory board is established.

(c) Beginning with the program for 1991, each targeted neighborhood or group of targeted neighborhoods in the city must have a strategic planning group whose members include residents of the targeted neighborhood and representatives of institutions in the neighborhood. The group shall, as part of its responsibilities, develop a strategic plan for the neighborhood. This strategic plan must include the elements that the planning group recommends as part of the program. The strategic plan must also address how the targeted neighborhood portions of the community resources program will be integrated with the elements that are recommended to be included as part of the community resources program. The groups must be the same strategic planning groups established for the community resources program.

(d) The city shall ensure that the strategic planning group required under paragraph (c) is established. An existing group or organization that reflects the required membership under paragraph (c) may be designated as the strategic planning group. The city may provide financial and staff resources to ensure the establishment of the strategic planning groups, and may use part of the money received from the state under section 4 to assist in the establishment of the targeted neighborhood strategic planning groups.

(e) As part of the process for the development of the program, each targeted neighborhood strategic planning group shall submit recommendations for the revitalization program to the city and the advisory board established under paragraph (f).

(f) The city shall establish an urban revitalization action program advisory board to assist the city in developing and implementing the preliminary revitalization program. The advisory board shall consist of at least two representatives of the city council appointed by the city council, one or more for-profit or nonprofit housing developers, one or more representatives of the business community appointed by the city's chamber of commerce, and representatives of the targeted neighborhoods. The representatives of the targeted neighborhoods shall represent a majority of the membership of the advisory board and reflect the geographic, cultural, racial, and ethnic diversity of the targeted neighborhoods. The city may deter-

mine the size of the advisory board and may designate an existing entity as the advisory board if the entity meets the membership requirements outlined in this subdivision.

(g) The advisory board shall work closely with city staff in developing and drafting the preliminary revitalization program. The advisory board shall be involved in assessing needs, prioritizing funds, and developing criteria for evaluating program proposals. In developing the preliminary program, the advisory board shall give priority to the recommendations made by the targeted neighborhood strategic planning groups.

(h) The advisory board shall conduct a public hearing and secure input from residents of targeted neighborhoods, business persons, governmental units affected by the program, and other organizations and persons.

(i) The advisory board and city staff may make any changes to the preliminary program resulting from testimony given at the public hearing. The advisory board must formally recommend to the city council a preliminary revitalization program.

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) Before adoption of a revitalization program under paragraph (b), the city must submit a draft program to the commissioner and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(b) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing.

(c) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency.

(d) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. Any modification to the program that may result in the transfer of targeted neighborhood money from one project to another must be reviewed by the commissioner. If the city

council determines that the proposed modification is a significant modification to the program originally certified under paragraph (c), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 4. [469.204] [PAYMENT; CITY MATCHING MONEY; DRAW-DOWN; USES OF STATE MONEY.]

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receipt from a city of a certification that the revitalization program has been adopted or modified, the commissioner shall, within 30 days, initiate payments to the city equal to the amount of state money identified as necessary to implement the revitalization program certified by the city. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Payments to the city must be made quarterly in equal installments. The commissioner, at the written request of the city, may accelerate the payment to the city if the commissioner determines that the state money is required immediately to implement all or a portion of the revitalization program. Once the state money has been paid to the city, it becomes targeted neighborhood money for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on its use in sections 1 to 7.

Subd. 2. [ALLOCATION.] Each city of the first class, as defined in section 410.01, may receive a part of the appropriations made available that is the proportion that the population of such city bears to the combined population of such cities of the first class. One city may agree to reduce its entitlement amount and to make it available to another city. For the purposes of this subdivision the population of each city is determined according to the most recent estimates available to the commissioner.

Subd. 3. [MATCHING MONEY; DRAWDOWN AND RESTRICTION ON USE OF STATE MONEY.] A city may spend state money only if the revitalization program identifies matching money to be used to implement the program in an amount equal to one dollar of matching money for every three dollars of state money. A city shall keep the state money in a segregated fund for accounting purposes.

Sec. 5. [469.205] [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]

Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.] A city may exercise any of its corporate powers within a targeted neighborhood. Those powers shall include, but not be limited to, all of the powers enumerated and granted to any city by chapters 462C, this chapter, and 474A. For the purposes of sections 469.048 to 469.068, a targeted neigh-

neighborhood is considered an industrial development district. A city may exercise the powers of sections 469.048 to 469.068 in conjunction with, and in addition to, exercising the powers granted by sections 469.001 to 469.047 and chapter 462C, in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood is considered a "targeted area."

Subd. 2. [GRANTS AND LOANS.] In addition to the authority granted by other law, a city may make grants, loans, and other forms of public assistance to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The public assistance must contain the terms the city considers proper to implement a revitalization program.

Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.] The city may spend targeted neighborhood money for any purpose authorized by subdivision 1 or 2 except that an amount equal to at least 50 percent of the state payment under section 4 made to the city shall be used for housing activities. Use of targeted neighborhood money must be authorized in a revitalization program.

Sec. 6. [469.207] [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 1 to 6. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 3, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed,

created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full-time or part-time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created per each \$20,000 of funds expended on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, and the legislative audit commission, and must be available to the public.

Sec. 7. [REPEALER.]

Laws 1987, chapter 386, article 6, sections 4 to 11, and Laws 1987, chapter 384, article 3, section 22, are repealed provided that actions taken under those provisions prior to the effective date of this chapter with respect to any program or a targeted neighborhood are ratified and affirmed and shall be treated as if validly taken under the provisions of this act.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day after final enactment, provided that the provisions of sections 1 to 4 and 5, subdivision 3, shall not apply to any program funded by the state in fiscal year 1988.

ARTICLE 4 JUDICIAL SYSTEM

Section 1. Minnesota Statutes 1988, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the housing finance agency, the higher education coordinating board, the higher education facilities authority, the armory building commission, the zoological board, the iron range resources and rehabilitation board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. "Employee of the state" includes a public defender appointed by the state board of public defense or a court-appointed guardian ad litem, whether paid by the state or by a political subdivision.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 1988, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards and committees established by the supreme court, the board of law examiners, the law library, the office of the public defender, and all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 12, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; and an employee of the office of the district administrator of the fifth or the eighth judicial districts that is not in the second or fourth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under

section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance.

Sec. 4. Minnesota Statutes 1988, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 plus the amount of any payments the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014 and minus any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4). A county's levy limit base will be increased by the amount of any increase in its levy under section 134.07 over that levied under section 134.07 for taxes payable in 1988 which is required under section 134.341. For governmental subdivisions located in the seven-county metropolitan area, the total actual levy for taxes payable in 1988 shall include the fiscal disparities distribution levy pursuant to Minnesota Statutes 1986, section 473F.08, subdivision 7a.

(b) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year not including the adjustment made under subdivision 3h, paragraph (c), plus for taxes levied in 1989 the administrative reimbursement aid received in 1988 and less, in the case of counties for taxes levied in 1989, the amount levied for taxes payable in 1988 for costs attributable to judicial employees and district public defenders that are funded by the state for taxes payable in 1990 under this act as adjusted for taxes payable in 1989 under subdivision 3h, paragraphs (a) and (b).

Sec. 5. Minnesota Statutes 1988, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;

(3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the

Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;

(5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) court employees, referees, receivers, jurors, and notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed under section 16.07, subdivision 4;

(15) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

- (16) state troopers;
- (17) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;
- (18) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;
- (19) persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;
- (20) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;
- (21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);
- (22) persons whose compensation is paid on a fee basis;
- (23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;
- (24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;
- (25) chaplains and nuns who have taken a vow of poverty as members of a religious order;
- (26) labor service employees employed as a laborer 1 on an hourly basis;
- (27) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;
- (28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(30) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(35) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(36) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(37) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(38) persons who are employed as full-time firefighters by the

department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 6. Minnesota Statutes 1988, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (1) elected or appointed officers and employees of elected officers;
- (2) ~~district court reporters~~ persons who elect to remain members under section 12, subdivision 2;
- (3) officers and employees of the public employees retirement association;
- (4) employees of the league of Minnesota cities;
- (5) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;
- (6) employees of a school district who receive separate salaries for driving their own buses;
- (7) employees of the association of Minnesota counties;
- (8) employees of the metropolitan intercounty association;
- (9) employees of the Minnesota municipal utilities association;
- (10) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;
- (11) employees of the Minneapolis employees retirement fund, if employment initially commenced after June 30, 1979;
- (12) employees of the range association of municipalities and schools;
- (13) employees of the soil and water conservation districts;
- (14) employees of a county historical society who are county employees;
- (15) employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this

chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b;

(16) employees of an economic development authority created under sections 458C.01 to 458C.23;

(17) employees of the department of military affairs of the state of Minnesota who are full-time firefighters.

Sec. 7. Minnesota Statutes 1988, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court, ~~for the use of said county, the sundry fees hereinafter prescribed; provided, however, that no county to which this section applies, being a party to any action or proceeding in the district court established in such county, shall be required to pay fees to the court administrator thereof in subdivision 2. The court administrator shall transmit the fees monthly to the county treasurer who shall forward the funds to the state treasurer for deposit in the state treasury and credit to the general fund.~~

Sec. 8. Minnesota Statutes 1988, section 357.021, subdivision 4, is amended to read:

Subd. 4. Nothing in this section shall be construed as amending, modifying, redistributing, or repealing the provisions as to library fees contained in chapter 140.

Sec. 9. Minnesota Statutes 1988, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL.]

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of ~~\$50~~ \$60 to the clerk of the appellate courts. ~~In addition, there shall be paid by the appellant or moving party or person the sum of \$10 to the court or agency whose decision is sought to be reviewed.~~ No additional filing fee shall be required for a petition for accelerated review by the supreme court. A filing fee of \$50 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals. The clerk shall transmit the fees to the state

treasurer for deposit in the state treasury and credit to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 10. Minnesota Statutes 1988, section 466.01, subdivision 6, is amended to read:

Subd. 6. [EMPLOYEE, OFFICER, OR AGENT.] For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other person acting on behalf of the municipality in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor. "Employee" includes court administrators and their staff under chapter 485, district administration staff in the second and fourth judicial districts, guardians ad litem, and other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 12, subdivision 2.

Sec. 11. Minnesota Statutes 1988, section 480.058, is amended to read:

480.058 [RIGHT RESERVED.]

Subdivision 1. [BY LEGISLATURE.] Sections 480.051 to 480.058 shall not abridge the right of the legislature to enact, modify, or repeal any statute or modify or repeal any rule of the supreme court adopted pursuant thereto.

Subd. 2. [APPELLATE FEES AND FORFEITS.] Appellate court fees collected under Minnesota Rules of Civil Appellate Procedure Numbers 103, 115, 120, 121, or other law or rule and bond amounts or security deposits forfeit under Minnesota Rules of Civil Appellate Procedure Numbers 107 and 108 must be transmitted to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 12. [480.181] [TRANSFER OF EMPLOYEES TO JUDICIAL BRANCH.]

Subdivision 1. [STATE EMPLOYEES; COMPENSATION.] District court referees, judicial officers, court reporters, law clerks, and district administration staff, other than district administration staff in the second and fourth judicial districts, are state employees and are governed by the judicial branch personnel rules adopted by the supreme court. The supreme court, in consultation with the conference of chief judges, shall establish the salary range of these employees under the judicial branch personnel rules.

Subd. 2. [ELECTION TO RETAIN INSURANCE AND BENEFITS; RETIREMENT.] (a) Before January 1, 1992, a person who becomes a state employee under this section may elect to do either or both of the following:

(1) keep life insurance; hospital, medical, and dental insurance; and vacation and sick leave benefits and accumulated time provided by the county instead of receiving benefits from the state under the judicial branch personnel rules; or

(2) remain a member of the public employees retirement association or the Minneapolis employees retirement fund instead of joining the Minnesota state retirement system.

Employees who make an election under clause (1) remain on the county payroll, but the state shall reimburse the county on a quarterly basis for the salary and cost of the benefits provided by the county. The state shall make the employer contribution to the public employees retirement association or the employer contribution under section 422A.101, subdivision 1a, to the Minneapolis employees retirement fund on behalf of employees who make an election under clause (2).

(b) An employee who makes an election under paragraph (a), clause (1), may revoke the election, once, at any time, but if the employee revokes the election, the employee cannot make another election. An employee who makes an election under paragraph (a), clause (2) may revoke the election at any time before July 1, 1992. Once an employee revokes this election, the employee cannot make another election.

(c) The supreme court, after consultation with the conference of chief judges, the commissioner of employee relations, and the executive directors of the public employees retirement association and the Minnesota state retirement association, shall adopt procedures for making elections under this section.

(d) The supreme court shall notify all affected employees of the

options available under this section. The executive directors of the public employees retirement association and the Minnesota state retirement system shall provide counseling to affected employees on the effect of making an election to remain a member of the public employees retirement association.

Subd. 3. [ACCUMULATED BENEFITS.] A person who begins to receive benefits from the state under the judicial branch personnel rules under this section must receive credit for accumulated vacation and sick leave time, as certified by the county auditor and district administrator.

Subd. 4. [DATE OF EMPLOYMENT.] A person who becomes a state employee under this section on January 1, 1992, is considered to have begun employment with the state on the date the person became a county or judicial district employee to determine eligibility for benefits.

Sec. 13. Minnesota Statutes 1988, section 484.545, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any law to the contrary, in all judicial districts, except the fourth judicial district, a salary range for law clerks shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. the salary for each law clerk shall be set within that range annually by the district administrator after consultation with the chief judge within the range established under, or referred to in, section 12, as provided in the judicial branch personnel rules.

Nothing herein shall change the manner by which law clerk salaries are paid; the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provision related to law clerk compensation other than the manner of setting salary. Each county shall be required by the order to pay a specified amount thereof in monthly installments which shall be such proportion of the whole salaries as the population of the county is to the total population of the counties to which the judge is assigned as determined by the last census.

Sec. 14. Minnesota Statutes 1988, section 484.545, subdivision 3, is amended to read:

Subd. 3. The law clerks, in addition to their salary, shall be paid necessary mileage, traveling and hotel expenses accrued in their discharge of official duties while absent from their permanent work assignment location. The county auditor of the county for which the expenses were incurred, Upon presentation of a verified statement approved by one of the judges, shall issue a warrant in payment thereof the state shall pay the expenses.

Sec. 15. Minnesota Statutes 1988, section 484.62, is amended to read:

484.62 [COMPENSATION AND REPORTER.]

When a retired judge undertakes such service, the retired judge shall be provided at the expense of the county of performance of the service with a reporter, selected by the retired judge, at the expense of the state, and with a deputy clerk, bailiff, if the judge deems a bailiff necessary, and a courtroom or hearing room for the purpose of holding court or hearings, to be paid for by the county in which the service is rendered and shall receive pay and expenses in the amount and manner provided by law for judges serving on the court to which the retired judge is assigned, less the amount of retirement pay which the judge is receiving, said payment to be made in the same manner as the payment of salaries for judges of the district court, on certification by the chief judge of the judicial district or by the chief justice of the supreme court of the state of Minnesota. A deputy court administrator may act as bailiff when called to do so for the purposes of this section. A retired judge who solemnizes a marriage while not assigned under section 484.61 is not entitled to the compensation provided by this section.

Sec. 16. Minnesota Statutes 1988, section 484.64, subdivision 3, is amended to read:

Subd. 3. The board of county commissioners of Ramsey county shall provide suitable chambers and courtroom space, clerks, ~~reporters~~, bailiffs, and ~~one or more referees~~ and other personnel to assist said judge, together with necessary library, supplies, stationery and other expenses necessary thereto. The state shall provide referees, court reporters, and law clerks.

Sec. 17. Minnesota Statutes 1988, section 484.65, subdivision 3, is amended to read:

Subd. 3. The board of county commissioners of Hennepin county shall provide suitable chambers and courtroom space, clerks, ~~secretaries or reporters~~, bailiffs, and ~~one or more referees~~ and other personnel to assist said judge, together with necessary library, supplies, stationery and other expenses necessary thereto. The state shall provide referees, court reporters, and law clerks.

Sec. 18. Minnesota Statutes 1988, section 484.65, subdivision 7, is amended to read:

Subd. 7. The district court judge, family court division, may, with the consent and approval of the judges of the district court of the fourth judicial district, appoint one or more suitable persons to act as referees. Such referees shall be learned in the law and shall hold

office at the pleasure of the judges of the district court. The compensation of a referee shall be fixed by the personnel board of Hennepin county and appropriated by the county board and shall be paid in the same manner as other county employees are paid.

Sec. 19. Minnesota Statutes 1988, section 484.68, subdivision 5, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The office budget of the district administrator shall be set by the chief judge of the judicial district and apportioned among the counties of the district paid by the state. The budget must include sufficient money for the staff authorized by this section and other staff and expenses authorized under law. A county shall provide office facilities for the district administrator.

Sec. 20. Minnesota Statutes 1988, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the county treasurer shall forward all revenue from fees and forfeited bail collected under chapters 357 and 574 to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in this article or Minnesota Statutes, chapter 611A, in the manner and at the times prescribed by the county board state treasurer, but not less often than once each month. All other money must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 21. Minnesota Statutes 1988, section 485.018, subdivision 7, is amended to read:

Subd. 7. [APPEAL FROM RESOLUTION OF THE BOARD.] The court administrator of district court if dissatisfied with the action of the county board in setting the amount of the court administrator's salary or the amount of the budget for the office of court administrator of district court, may appeal to the district court on the grounds that the determination of the county board in setting such salary or budget was arbitrary, capricious, oppressive or without sufficiently taking into account the extent of the responsibilities and duties of said office, and the court administrator's experience, qualifications, and performance. The appeal shall be taken within 15 days after the date of the resolution setting such salary or budget by serving a notice of appeal on the county auditor and filing same

with the court administrator of the district court. The court either in term or vacation and upon ten days notice to the chair of the board shall hear such appeal. On the hearing of the appeal the court shall review the decision or resolution of the board in a hearing de novo and may hear new or additional evidence, or the court may order the officer appealing and the board to submit briefs or other memoranda and may dispose of the appeal on such writings. If the court shall find that the board acted in an arbitrary, capricious, oppressive or unreasonable manner or without sufficiently taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, it shall make such order to take the place of the order appealed from as is justified by the record and shall remand the matter to the county board for further action consistent with the court's findings. After determination of the appeal the county board shall proceed in conformity therewith. This subdivision is not in effect from July 1, 1989, to July 1, 1991.

Sec. 22. Minnesota Statutes 1988, section 486.05, subdivision 1, is amended to read:

Subdivision 1. In all judicial districts a salary range for court reporters shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. The salary for each court reporter shall be set within that range annually by the district administrator after consultation with the chief judge within the range established under section 12, as provided in the judicial branch personnel rules. Nothing in this subdivision changes the manner by which court reporters are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provisions related to court reporter compensation other than the manner of setting salary. Each county shall be required by order to pay a specified amount of the salary in monthly installments, which shall be the proportion of the whole salary as the population in each county bears to the total population in the district in the most recent federal census. If a judge is temporarily transferred to hold court in a county outside of the judge's judicial district then that county shall pay a part of the monthly salary of the judge's reporter equal to the part of the month worked by the reporter in the county. The reporter, in addition to a salary, shall be paid necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the home chambers where the judge the reporter serves is assigned. The expenses are to be paid by the county for which the expenses were incurred upon presentation of a verified itemized statement approved by the judge; and the auditor of the county, upon presentation of the approved statement, shall issue a warrant for payment.

This subdivision supersedes all laws relating to the salary of district court reporters inconsistent with this subdivision, except the

manner of setting salary in this subdivision does not apply to the second and fourth judicial districts.

Sec. 23. Minnesota Statutes 1988, section 486.05, as amended by section 22, is amended to read:

486.05 [DISTRICT COURT; REPORTERS' SALARIES AND EXPENSES.]

Subdivision 1. [SALARIES.] The salary for each court reporter shall be set annually by the district administrator within the range established under section 12 as provided in the judicial branch personnel rules.

Subd. 1a. [EXPENSES.] The A court reporter, in addition to a salary, shall be paid necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the home chambers where the judge the reporter serves is assigned. The expenses are to be paid by the county for which the expenses were incurred state upon presentation of a verified itemized statement approved by the judge; and the auditor of the county, upon presentation of the approved statement, shall issue a warrant for payment.

This subdivision supersedes all laws relating to the salary of district court reporters inconsistent with this subdivision, except the manner of setting salary in this subdivision does not apply to the second and fourth judicial districts.

Sec. 24. Minnesota Statutes 1988, section 486.055, is amended to read:

486.055 [COURT REPORTER TRANSCRIPT FEE CHARGES; REPORTING REQUIREMENTS.]

Each court reporter who charges a fee for the preparation of transcripts shall by April 15 of each year file with the district administrator of the reporter's judicial district and the county commissioners of the district an accounting of gross receipts and net income from these receipts for the prior calendar year. The accounting report shall specify the amount received in payment for the sale of transcripts.

Sec. 25. Minnesota Statutes 1988, section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.]

In addition to the salary specified set in section 486.05, the court reporter may charge for a transcript of a record ordered by any

person other than the judge, the attorney general's office, or the board of public defense, 50 cents per original folio thereof and ten cents per folio for each manifold or other copy thereof when so ordered that it can be made with the original transcript. The chief judge of the judicial district may by order establish new transcript fee ceilings annually.

A court reporter may impose a fee authorized under this section only if the transcript is delivered to the person who ordered it within a reasonable time after it was ordered.

Sec. 26. Minnesota Statutes 1988, section 487.08, subdivision 5, is amended to read:

Subd. 5. All judicial officers are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3. They shall be learned in the law, and shall hear and try matters as assigned to them by the chief judge. Their salary shall be fixed by the chief judge, with the approval of the county board or boards of the counties in which they hold office, and shall be paid by the county or counties and must not exceed the salary for referees under section 15A.083, subdivision 6. The supreme court must not approve aggregate performance increases for these employees that exceed an average of four percent.

Sec. 27. Minnesota Statutes 1988, section 487.31, subdivision 1, is amended to read:

Subdivision 1. The fees payable to the court administrator for the following services in civil actions are:

In all civil actions within the jurisdiction of the county court, the fees payable to the court administrator shall be the same as in district court. The county court shall determine by rule the fees payable in cases heard in the conciliation division of the county court. The filing fees must be transmitted to the county treasurer who shall transmit them to the state treasurer for deposit in the general fund.

The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town within the county court district; all fines, penalties and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted a case for prosecution except where a different disposition is provided by law, in which case payment shall be made to the public

official entitled thereto. The following fees for services in petty misdemeanor or criminal actions shall be taxed to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be retained by the court administrator for disposing of the matter but in no case shall the fee that is taxed exceed the fine that is imposed. The court administrator shall deduct the fees from any fine collected and transmit the balance in accordance with the law, and the deduction of the total of such fees each month from the total of all such fines collected is hereby expressly made an appropriation of funds for payment of such fees:

(1) In all cases where the defendant pleads guilty at or prior to first appearance and sentence is imposed or the matter is otherwise disposed of without a trial \$5

(2) Where the defendant pleads guilty after first appearance or prior to trial \$10

(3) In all other cases where the defendant is found guilty by the court or jury or pleads guilty during trial \$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued.

Sec. 28. Minnesota Statutes 1988, section 488A.14, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF ACTION.] An action is commenced against each defendant when the complaint is filed with the court administrator of conciliation court and a filing fee of \$9 is paid to the court administrator or the prescribed affidavit in lieu of the filing fee is filed. The filing fees must be transmitted to the county treasurer who shall transmit them to the state treasurer for deposit in the general fund.

Sec. 29. Minnesota Statutes 1988, section 488A.17, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be removed by the aggrieved party unless all of the following acts are performed within 20 days after the date the court administrator mailed to the aggrieved party notice of the order for judgment:

(a) Serving on the opposing party or the opposing party's attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court

without a jury is demanded. Service shall be made upon a party by mail or by personal service in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) Filing with the court administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or the opposing party's attorney cannot be found and service of the demand is made within the 20 day period, the aggrieved party may file with the court administrator within the 20 day period the original and a copy of the demand, together with an affidavit by the aggrieved party or the party's attorney showing that due and diligent search has been made and that the opposing party or the opposing party's attorney cannot be found. The filing of this affidavit shall serve in lieu of making service and filing proof of service. When an affidavit is filed, the court administrator shall mail the copy of the demand to the opposing party at the opposing party's last known residence address.

(c) Filing with the court administrator of conciliation court an affidavit by the aggrieved party or the aggrieved party's attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Paying to the court administrator of conciliation court \$2 when the demand is for trial by court or \$7 when the demand is for trial by a jury of six persons. The fee must be forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 30. Minnesota Statutes 1988, section 488A.31, subdivision 1, is amended to read:

Subdivision 1. [FILING FEE.] An action is commenced against each defendant when the complaint is filed with the administrator of conciliation court and a filing fee set by the ~~board of Ramsey county commissioners~~ district judges is paid to the administrator or the prescribed affidavit in lieu of filing fee is filed. ~~No filing fee is payable by the county.~~ The fees must be forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 31. Minnesota Statutes 1988, section 488A.34, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be removed by the aggrieved party unless all of the following

acts are performed within 20 days after the date the administrator mailed to the aggrieved party notice of the order for judgment:

(a) Serving on the opposing party or the opposing party's attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party by mail or by personal service in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) Filing with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or the opposing party's attorney cannot be found and service of the demand is made within the 20 day period, the aggrieved party may file with the administrator within the 20 day period the original and a copy of the demand, together with an affidavit by the aggrieved party or the aggrieved party's attorney showing that due and diligent search has been made and that the opposing party or the opposing party's attorney cannot be found. The filing of this affidavit shall serve in lieu of making service and filing proof of service. When an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at the opposing party's last known address.

(c) Filing with the administrator of conciliation court an affidavit by the aggrieved party or the opposing party's attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Paying to the administrator of conciliation court the fee set by the board of Ramsey County commissioners district court judges when the demand is for trial by court, and the fee as set by the Ramsey County commissioners district court judges when the demand is for trial by a jury of six. The above fee is not payable by the county. The fees shall be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund.

Sec. 32. Minnesota Statutes 1988, section 525.033, is amended to read:

525.033 [FEES FOR FILING PETITIONS.]

The probate court shall collect a fee as established by section 357.021, subdivision 2, clause (1), for filing a petition to commence a proceeding under this chapter and chapter 524. The fee for copies of all documents in probate proceedings must be the same as the fee established for certified copies in civil proceedings under section

357.021, subdivision 2. Fees collected under this section and section 525.031 must be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund.

Sec. 33. Minnesota Statutes 1988, section 611.26, subdivision 2, is amended to read:

Subd. 2. The state board of public defense shall appoint a district public defender. When appointing a district public defender, the state board of public defense membership shall be increased to include two judges of the district and two county commissioners of the counties within the district. The additional members shall serve only in the capacity of selecting the district public defender. The judges within the district shall elect their two ad hoc members. The two county commissioners within the district shall be selected by the county boards of the counties within the district. The ad hoc state board of public defense shall appoint a district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, the judges of the district, and the county commissioners within the district. Each district public defender shall be a qualified attorney, licensed to practice law in this state. The district public defender shall be appointed for a term of four years, beginning August November 1, pursuant to the following staggered term schedule: (1) in 1987, the third and eighth districts; (2) in 1988, the first and tenth districts; (3) in 1989, the fifth and ninth districts; and (4) in 1990, the sixth and seventh districts; (5) in 1991, the second, fourth, and eighth districts; and (6) in 1992, the first, third, and tenth districts. The district public defenders shall serve for staggered four-year terms and may be removed for cause upon the order of the state board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 34. [611.263] [COUNTY IS EMPLOYER OF RAMSEY, HENNEPIN DEFENDERS.]

Subdivision 1. [EMPLOYEES.] (a) The district public defender and assistant public defenders of the second judicial district are employees of Ramsey county in the unclassified service under section 383A.286.

(b) The district public defender and assistant public defenders of the fourth judicial district are employees of Hennepin county under section 383B.63, subdivision 6.

Subd. 2. [PUBLIC EMPLOYER.] (a) Notwithstanding section 179A.03, subdivision 15, clause (c), the Ramsey county board is the public employer under the public employment labor relations act for the district public defender and assistant public defenders of the second judicial district.

(b) Notwithstanding section 179A.03, subdivision 15, clause (c), the Hennepin county board is the public employer under the public employment labor relations act for the district public defender and assistant public defenders of the fourth judicial district.

Sec. 35. [TRANSITION, PUBLIC DEFENDERS; SECOND AND FOURTH DISTRICTS.]

The district public defender of the second judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1991, whichever date is later.

The district public defender of the fourth judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1991, whichever date is later.

Sec. 36. [631.021] [SPEEDY CRIMINAL TRIALS; CASE DISPOSITION OBJECTIVES.]

The judges of each judicial district must adopt and administer rules or procedures to ensure that, on and after July 1, 1994, the following timing objectives for the disposition of criminal cases are met by judges within the district:

(1) 90 percent of all criminal cases must be disposed of within 120 days;

(2) 97 percent of all criminal cases must be disposed of within 180 days; and

(3) 99 percent of all criminal cases must be disposed of within 365 days.

The time periods referred to in clauses (1) to (3) must be measured from the date the criminal complaint is filed, to the date the defendant is either found not guilty or is sentenced. If the criminal case begins by indictment rather than by criminal complaint, the time period must be measured from the date the indictment is returned.

Sec. 37. [COURT MANAGEMENT PLAN.]

On or before January 1, 1990, the judges of each judicial district shall prepare a written caseload management plan to implement the goal of ensuring the right to speedy trial in criminal cases and the expeditious disposition of civil cases. The plan must discuss current caseloads in each judicial district and the time necessary to dispose of the various types of cases, including felonies, gross misdemean-

ors, misdemeanors, marriage dissolution and other family law matters, probate, juvenile, general civil matters, and conciliation court matters. The plan must be based on the assumption that the judicial and staff resources that will be available are those available on July 1, 1989.

In addition to preparing a caseload management plan, the judges of each judicial district shall make written recommendations for any changes in rules of procedure or statutes affecting procedure that they find would improve the expeditious disposition of criminal and civil cases in the district courts.

A copy of the caseload management plan, including any recommendations for changes in rules of procedure or statutes affecting procedure, must be filed with the state court administrator and the chairs of the judiciary committees of the house of representatives and of the senate on or before January 1, 1990.

Sec. 38. [CRIMINAL COURTS STUDY COMMISSION.]

The supreme court shall establish a commission to study ways to more expeditiously dispose of criminal cases in the district courts, in a manner that preserves the interest of both the defendant and the state in having a fair and just outcome. The commission shall consist of sufficient members to provide adequate representation of the viewpoints and experience of judges, prosecutors, and defense attorneys involved in the disposition of criminal matters. The commission may establish advisory groups to focus on juvenile law or other specific areas of practice.

The commission study must include the following:

(1) whether model proposals or rules and statutes from other jurisdictions provide any alternatives that might be followed to modify the rules of criminal procedure and statutes affecting criminal procedure in ways that would simplify procedures without sacrificing fair outcome;

(2) whether certain kinds of offenses, such as traffic petty misdemeanors and housing code violations, might be better processed if the only possible sentence were a fine rather than incarceration, if a referee or administrative officer rather than a judge presided, and if no prosecuting attorney was involved, with the option of enhancing the matter to a misdemeanor if prior judgments have been entered against a party;

(3) whether the petty misdemeanor category should be expanded to replace current misdemeanor offenses in some instances, with criteria for enhancing a petty misdemeanor to a misdemeanor in specified circumstances; and

(4) whether other administrative or legislative action can be taken to facilitate the expeditious disposition of criminal cases without sacrifice of due process of law.

The commission shall report its conclusions to the supreme court on or before January 1, 1991.

Sec. 39. [TRANSITIONAL PROVISIONS.]

Subdivision 1. [HIRING AND SALARY MORATORIUM.] A county or a court must not increase the number of referees, judicial officers, court reporters, law clerks, or district administration employees in the county, or other employees of the court system whose salary is paid by the county, other than district administration employees in the second or fourth judicial district, unless the increase was authorized before January 30, 1989. A county or a court must not increase the salaries of these employees without the approval of the supreme court, unless the increase is made under a plan adopted before January 30, 1989. The supreme court must not approve aggregate performance increases for these employees that exceed an average of four percent.

Subd. 2. [TRANSFER OF PROPERTY.] The title to all personal property owned by the county that is used by the employees listed in subdivision 1 in the scope of their employment is transferred to the state effective January 1, 1992.

Subd. 3. [RULES.] The supreme court, in consultation with the conference of chief judges, may adopt rules to implement this article.

Subd. 4. [BUDGETS.] Notwithstanding any law to the contrary, the budgets for the judicial districts including the number of complement positions and salaries must be submitted by the district administrators to the supreme court. The budgets shall include the current levels of funding and positions at the time of submission as well as the requests for increases in funding and positions. Submission of the budgets for calendar year 1990 must be made to the supreme court. The supreme court shall then submit the budgets to the department of finance, and the legislature by January 15, 1990. Submission of the budgets for calendar year 1991 must be made by October 1, 1990.

Sec. 40. [CONTINUED STUDY BY SUPREME COURT.]

The supreme court shall continue to study all county-funded components of the district courts and make recommendations to the governor and the legislature by August 1, 1990, for inclusion in the governor's budget recommendations to the legislature for the 1991 session, regarding their control and financing. The supreme court shall also study the right to legal counsel in juvenile justice matters

and recommend criteria for that right to the legislature by July 1, 1990.

EIGHTH JUDICIAL DISTRICT PROJECT AND RELATED MATTERS

Sec. 41. [APPLICATION.]

Sections 42 to 51, except the parts of section 51, that by their terms have broader application, apply only in the eighth judicial district for the period from January 1, 1990, to June 30, 1991.

Those parts of section 51, having broader application, apply statewide for the period from July 1, 1989, to June 30, 1991.

Sec. 42. [FINES AND FORFEITED BAIL.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 97A.065, subdivision 2.

Subd. 2. [GAME AND FISH LAWS.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, Minnesota Statutes, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and the balance to the state treasurer for deposit in the state treasury and credit to the general fund, except as provided in paragraph (b).

(b) The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under Minnesota Statutes, section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority to enforce game and fish laws.

Sec. 43. [FINES AND FORFEITED BAIL MONEY.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 299D.03, subdivision 5.

Subd. 2. [STATE PATROL.] (a) Fines and forfeited bail money from traffic and motor vehicle law violations collected from persons apprehended or arrested by officers of the state patrol must be paid

by the collector before the 11th day after the last day of the month in which the money was collected, to the county treasurer of the county where the violation occurred. The receipts must be transmitted by the collector to the state treasurer. Three-eighths of the receipts must be credited to the general fund and five-eighths of the receipts must be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts must be credited to the general revenue fund of the state, one-third of the receipts must be paid to the municipality prosecuting the offense, and one-third must be transmitted to the state treasurer to be credited to the trunk highway fund. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota must be paid from appropriations for that purpose.

(b) Notwithstanding any other law, fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by the employees, must be paid by the collector before the 11th day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. The receipts must be transmitted by the collector to the state treasurer. Five-eighths of the receipts must be credited to the highway user tax distribution fund and three-eighths of the receipts must be credited to the general fund.

Sec. 44. [FEES.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 357.021, subdivision 1a.

Subd. 2. [PROCEDURE.] A person, including the state of Minnesota and a body politic and corporate, who transacts business in the district court, shall pay to the court administrator the fees prescribed in Minnesota Statutes, section 357.021, subdivision 2. The court administrator shall transmit the fees monthly to the county treasurer who shall forward the money to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 45. [PAID BY APPELLANT IN APPEAL.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 357.08.

Subd. 2. [PROCEDURE.] \$60 must be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original pro-

ceeding, when first filed with the clerk of the appellate courts. An additional filing fee is not required for a petition for accelerated review by the supreme court. A filing fee of \$50 must be paid to the clerk of the appellate courts on the filing of a petition for review from a decision of the court of appeals.

The clerk must not file a paper, issue a writ or certificate, or perform a service listed in this section, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by Minnesota Statutes, section 15A.01.

The charges provided for do not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or, as the court directs, to law library associations in counties having a population exceeding 50,000.

Sec. 46. [COLLECTION OF FEES.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 485.018, subdivision 5.

Subd. 2. [PROCEDURE.] The court administrator of district court shall charge and collect all fees as prescribed by law and the fees collected by the court administrator as court administrator of district court must be paid to the county treasurer. The court shall forward all money collected under Minnesota Statutes, chapter 357, 487, or 574 to the state treasurer for deposit in the state treasury and credit to the general fund in the manner and at the times prescribed by the state treasurer, but not less often than once each month. The court administrator of district court must not keep any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and keep mileage and expense allowances as prescribed by law.

Sec. 47. [CONCILIATION COURT.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 487.31, subdivision 1.

Subd. 2. [FEES.] The district court shall determine by rule the fees payable in cases heard in the conciliation division of the court. The filing fees must be transmitted monthly to the county treasurer who shall transmit them to the state treasurer for deposit in the general fund.

The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town located in whole or in part within the county; all fines, penalties, and forfeitures collected must be paid over to the treasurer of the governmental subdivision that submitted a case for prosecution except where a different disposition is provided by law, in which case payment must be made to the public official entitled to it.

Sec. 48. [REFUNDS.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 487.32, subdivision 3.

Subd. 2. [PROCEDURE.] A judge of district court may order any forfeited sums to be reinstated and the state treasurer shall then refund accordingly. The state treasurer shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

Sec. 49. [OTHER MONEY TO STATE.]

Money that is collected by the court administrator under Minnesota Statutes, chapter 357, 487, or 574 and not required to be distributed to a city by statute must be paid to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 50. [IF NO SPECIFICS HERE, TO GENERAL FUND.]

Subdivision 1. [THIS PREVAILS.] Subdivision 2 prevails over contrary provisions of Minnesota Statutes, section 574.34, subdivision 1.

Subd. 2. [FINES AND FORFEITURES.] Fines and forfeitures collected by the court administrator and not specially granted or appropriated in this article or not required to be distributed to a city by statute, must be paid to the county treasurer who shall forward the funds to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 51. [EIGHTH JUDICIAL DISTRICT PROJECT.]

Subdivision 1. [APPROPRIATION.] The appropriation for the eighth district project is for the period of January 1, 1990, to June 30, 1991, and is available until spent and does not cancel. Money for

the project must not be used to increase complement above the number set without regard to this article. Funds appropriated in article 1 for the eighth district project may only be used for increased expenses necessitated by salary increases, and other verifiable escalating expenses associated with the operations of the eighth judicial district, and for contingencies as provided in subdivision 3.

Subd. 2. [BUDGETS.] During the period of the pilot project the court administrators and the judicial district administrator in the eighth judicial district shall each develop a budget in a form prescribed by the supreme court. The budgets must include the costs of operating the courts in the eighth judicial district, but must not include the costs of capital expenditures. The budgets must be submitted to the supreme court with the comments of the district administrator and chief judge. The supreme court shall provide copies of the budgets to the chairs of the house appropriations committee and the senate finance committee and the commissioner of finance.

Subd. 3. [CONTINGENCY FUND.] The money appropriated in article 1 to the commissioner of finance for a contingency amount for unanticipated cost increases of the eighth judicial district project is to be available on request of the supreme court. Money from this contingency amount is subject to the same process under Minnesota Statutes, section 3.30 as the general contingency appropriation.

Subd. 4. [FEE, FINE, AND FORFEITURE REVENUE.] During the time of the eighth district project the court administrators in the eighth judicial district shall collect and transmit to the state treasurer each month all filing fee revenue and bail forfeitures, and the county share of fine revenue. The money must be recorded by the state treasurer each month on a county by county basis. Except as otherwise provided in this article, the money must be deposited in the state's general fund as nondedicated receipts.

Subd. 5. [COOPERATION.] The court employees, county officials, and the county boards of the affected counties shall cooperate with the state and district court administrators in implementing all phases of the pilot project.

Subd. 6. [ACCOUNTING PLAN.] The supreme court shall consult with all district administrators and appropriate county officials in the other judicial districts and develop a uniform plan for accounting and shall implement detailed reporting of the costs of the various functions of the judicial districts and court costs in the counties. The plan shall also include the costs of items not mentioned in this section that the supreme court believes may be a function that the state could take over if it were to fund the state trial court system. These costs must be included in any report to the legislature on state takeover of the trial court and public defense

systems. Counties in all the judicial districts shall cooperate with the supreme court and the state board of public defense in developing these standards and calculating and reporting these costs in a timely and accurate manner.

Subd. 7. [REPORT TO LEGISLATURE.] The supreme court shall make a report to the legislature by February 1, 1991, on the results of the eighth district project and the potential costs and revenues to be transferred to the state if the state were to fund the takeover of the trial court system statewide. The report shall include an analysis of all the costs of and revenues from the operations of all the trial courts in the state. The analysis must identify appropriate job classifications and salary ranges for court employees, and the costs and benefits associated with a change from county to state employment. The report must also include an evaluation of the improvement of the administration of justice, if any, that results from the eighth district project and that may result as a consequence of the state takeover. The report must also include recommendations for state takeover of trial court costs statewide including a detailed estimate of the costs and benefits, employee status, types of costs that may be associated with a state takeover, and an accounting system for the courts.

Subd. 8. [LEVY.] During the pilot project the counties that make up the eighth judicial district shall continue to levy for and pay the costs to operate the eighth judicial district and public defense services that the state does not fund during the eighth district project. The supreme court shall certify to the counties on or before October 1 of each year the amount necessary in excess of the state-funded eighth district project costs. The counties are responsible on a per capita prorated basis for the costs that the state is not assuming. These include but are not limited to capital costs, rent, and other associated costs. The county administrator of each of the counties shall consult with the supreme court and the eighth judicial district administrator regarding these costs before setting county budgets and levies for calendar year 1990.

Subd. 9. [LIMITS.] The costs to the state for the eighth district project are limited to the appropriations in article 1 for the project and for contingencies as provided in subdivision 3.

Sec. 52. [DO NOT APPLY.]

Minnesota Statutes 1988, sections 487.31, subdivision 4; and 525.012, subdivisions 1 to 4, do not apply in the eighth judicial district during the period from January 1, 1990, to June 30, 1991.

Sec. 53. [DE NOVO HEARINGS FROM CONCILIATION COURT.]

Fees collected under county court rule No. 1.21, and special rules of procedure for county court of St. Louis county No. 29.21, shall be

forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 54. [REPEALER.]

Subdivision 1. [JULY 1, 1990.] Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5, are repealed July 1, 1990.

Subd. 2. [JANUARY 1, 1992.] Minnesota Statutes 1988, sections 486.07; 488A.05; 488A.111; 488A.22; and 488A.281, are repealed January 1, 1992.

Subd. 3. [JANUARY 1, 1990.] Minnesota Statutes 1988, sections 611.07; 611.071; and 611.25, subdivision 2, are repealed.

Subd. 4. [JULY 1, 1990.] Minnesota Statutes 1988, section 487.31, subdivision 4; and 525.012, subdivisions 1, 2, 3, and 4, are repealed.

Sec. 55. [EFFECTIVE DATE.]

Subdivision 1. [1989 TAXES.] Section 4 is effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter.

Subd. 2. [1992 STATEWIDE; 1990 IN 8th.] (a) In all judicial districts except the eighth, sections 1, 2, 3, 5, 6, 12, 14, 15, 16, 17, 18, 19, and 23, are effective January 1, 1992. These sections are effective January 1, 1990, for all court employees in the eighth judicial district including court administrators and staff.

(b) In all judicial districts except the eighth, sections 7, 8, 9, 11, 20, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 53, are effective July 1, 1990.

Subd. 3. [JULY 1, 1989.] Sections 10, 13, 22, 24, 25, 26, 36, 37, 38, 39, and 40, are effective July 1, 1989.

ARTICLE 5

FUND CONSOLIDATION

Section 1. [STATEMENT OF PURPOSE.]

During recent years the state of Minnesota has experienced a significant increase in the number of special revenue accounts and funds that has created a large base of nongeneral fund budget activities. The resulting structure is complicated and at best difficult for the legislature to exercise adequate legislative oversight of.

Executive branch agencies are also being faced with increased administrative costs and programmatic restrictions because of the growing number of special revenue funds and accounts. This article is an attempt to simplify the existing accounting structure and develop an accounting organizational structure that is reflective of agency functional organizations.

The consolidations in this article are not intended to restructure programs within agencies by reducing the number of special revenue accounts and funds. Fund consolidation in this article is not intended to achieve simplification at the expense of those user groups who pay fees to the current special revenue accounts and funds. It is the intent that the fees currently being paid will continue to be used for the purposes for which the fees were created.

Sec. 2. Minnesota Statutes 1988, section 6.48, is amended to read:

6.48 [EXAMINATION OF COUNTIES; COST, FEES.]

All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. At least once in each year, if funds and personnel permit, the state auditor shall visit, without previous notice, each county and make a thorough examination of all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds, including the game and fish funds, and other property. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the department of human services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

The county receiving such examination, and the division of game and fish of the department of natural resources of the state of Minnesota, in the case of the examination of the game and fish funds, shall pay to the state auditor's revolving general fund, notwithstanding the provisions of section 16A.125, the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties, having a

population of 200,000 or over, monthly for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The revolving general fund of the state auditor shall be credited with all collections made for any such examinations.

Sec. 3. Minnesota Statutes 1988, section 6.56, is amended to read:

6.56 [COST OF EXAMINATION, PAYMENT.]

Upon the examination of the books, records, accounts, and affairs of any county, city, town, or school district, as provided by law, such county, city, town, or school district shall be liable to the state for the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor may bill such county, city, town, or school district monthly for service rendered and the officials responsible for approving and paying claims are authorized to pay said bill promptly. Said payments shall be without prejudice to any defense against said claims that may exist or be asserted. The revolving general fund of the state auditor shall be credited with all collections made for any such examinations.

Sec. 4. Minnesota Statutes 1988, section 6.58, is amended to read:

6.58 [REVOLVING GENERAL FUND.]

The revolving general fund established by Laws 1947, chapter 634, section 24, shall be used to provide personnel, pay other expenses, and for the acquisition of equipment used in connection with reimbursable examinations and other duties pursuant to law. When full-time personnel are not available, the state auditor may contract with private persons, firms, or corporations for accounting and other technical services. Notwithstanding any law to the contrary, the acquisition of equipment may include duplicating equipment to be used in producing the reports issued by the department. All receipts from such reimbursable examinations shall be deposited in the general fund and are hereby reappropriated to that purpose. The state auditor is directed to adjust the schedule of charges for such examinations to provide that such charges shall be sufficient to cover all costs of such examinations and that the aggregate charges collected shall be sufficient to pay all salaries and other expenses including charges for the use of the equipment used in connection with such reimbursable examinations and including the cost of contracting for accounting and other technical services. The schedule of charges shall be based upon an estimate of the cost of performing reimbursable examinations including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses. The state auditor may allocate a proportionate part of the total costs to an hourly or daily charge for each person or class of persons engaged in the performance of an examination. The

schedule of charges shall reflect an equitable charge for the expenses incurred in the performance of any given examination. The state auditor shall review and adjust the schedule of charges for such examinations at least annually and have all schedules of charges approved by the commissioner of finance before they are adopted so as to insure that the amount collected shall be sufficient to pay all the costs connected with such examinations during the fiscal year and that the unobligated balance, including accounts receivable, in the revolving fund at the end of each fiscal year shall not be less than \$315,000. The unobligated balance in the revolving fund in excess of \$350,000, as of June 30 of each fiscal year, shall be canceled into the general fund.

Sec. 5. Minnesota Statutes 1988, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them. The budget requests of all executive branch agencies submitted to the legislature in each odd-numbered year must show the actual or estimated amount assessed, paid, and requested for each year. The assessment against appropriations from other than the general fund must be the full amount of the fee. The assessment against appropriations supported by fees must be included in the fee calculation. Unless appropriations are made for fee supported costs, no payment by the agency is required. ~~The assessment against appropriations from the general fund not supported by fees must be one-half of the fee. Assessments must not be made against appropriations from the general fund.~~ Receipts from assessments must be deposited in the state treasury and credited to the general fund.

Sec. 6. Minnesota Statutes 1988, section 8.31, subdivision 2c, is amended to read:

Subd. 2c. [CONSUMER EDUCATION ACCOUNT FUND.] If a court of competent jurisdiction finds that a sum recovered under this section for the benefit of injured persons cannot reasonably be distributed to the victims, because the victims cannot readily be located or identified, or because the cost of distributing the money would outweigh the benefit to the victims, then the court may order that the money be paid into a consumer education account the general fund. All sums recovered must be deposited into the state treasury and credited to the consumer education account general fund. The money credited to the account may be expended only as appropriated by law for the following purposes:

(1) to prepare and distribute educational materials to inform the public regarding consumer protection laws and consumer rights;

(2) to underwrite educational seminars and other forms of educational projects for the benefit of consumers and businesses;

(3) to contract for or conduct educational or research projects in the field of consumer protection, to further the purposes of the laws referred to in subdivision 1; and

(4) to assist the commissioner of education in establishing curriculum guidelines for elementary and secondary schools in the areas of consumer protection and consumer literacy.

Sec. 7. Minnesota Statutes 1988, section 8.31, subdivision 3, is amended to read:

Subd. 3. [INJUNCTIVE RELIEF.] In addition to the penalties provided by law for violation of the laws referred to in subdivision 1, specifically and generally, whether or not injunctive relief is otherwise provided by law, the courts of this state are vested with jurisdiction to prevent and restrain violations of those laws, to require the payment of civil penalties, to require payment into a consumer education account the general fund, and to appoint administrators as provided in subdivision 3C. On becoming satisfied that any of those laws has been or is being violated, or is about to be violated, the attorney general shall be entitled, on behalf of the state; (a) to sue for and have injunctive relief in any court of competent jurisdiction against any such violation or threatened violation without abridging the penalties provided by law; and (b) to sue for and recover for the state, from any person who is found to have violated any of the laws referred to in subdivision 1, a civil penalty, in an amount to be determined by the court, not in excess of \$25,000. All sums recovered by the attorney general under this section shall be deposited in the general fund of the state treasury, but sums recovered and deposited pursuant to subdivision 2C must be credited to a consumer education account as provided in subdivision 2C.

Sec. 8. Minnesota Statutes 1988, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.]
(a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

(b) The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 9. Minnesota Statutes 1988, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.

Sec. 10. Minnesota Statutes 1988, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 11. Minnesota Statutes 1988, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

~~The attorney general shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 12. Minnesota Statutes 1988, section 16A.125, subdivision 5, is amended to read:

Subd. 5. [SUSPENSE ACCOUNT.] The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

The commissioner of finance and the treasurer shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

After a fiscal year, the commissioner of finance shall certify the total costs incurred for forestry during that year under appropriations for the protection, improvement, administration, and management of state forest trust fund lands. The certificate must specify the trust funds interested in the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed on the certificate.

After a fiscal year, the commissioner and the treasurer shall distribute the receipts credited to the suspense account during that fiscal year as follows:

- (a) The amount of the certified costs incurred by the state for forest

management during the fiscal year shall be transferred to the state forest development account general fund. If these costs exceed \$500,000, the amount of the excess shall be transferred to the forest management fund of section 89.04.

(b) The balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Sec. 13. [16A.531] [FUNDS CREATED.]

Subdivision 1. [ENVIRONMENTAL FUND.] There is created in the state treasury an environmental fund as a special revenue fund for deposit of receipts from environmentally related fees and activities conducted by the state of Minnesota. With the exception of the environmental response, compensation, and compliance account, the petroleum tank release cleanup account, and the vehicle emission inspection account, all receipts to the environmental fund are to be directly appropriated for purposes of environmental protection.

Subd. 2. [NATURAL RESOURCES FUND.] There is created in the state treasury a natural resources fund as a special revenue fund for deposit of certain receipts from fees and services associated with natural resource management by the state of Minnesota. All receipts deposited in the fund are to be directly appropriated for purposes of natural resource management.

Sec. 14. Minnesota Statutes 1988, section 16B.42, subdivision 4, is amended to read:

Subd. 4. [FUNDING.] Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the department of administration. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to an account in the special revenue fund and are appropriated to the council for the purposes enumerated in subdivision 2. general fund appropriations for the council may also be credited by the commissioner of administration to the account in the special revenue fund. The unencumbered balance of an appropriation for grants in the first year of a biennium does not cancel but is available for the second year of the biennium.

Sec. 15. Minnesota Statutes 1988, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money which is

deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;
- (4) to operate a documents service as prescribed by section 16B.51;
- (5) to provide advice and other services to political subdivisions for the management of their records, information, and telecommunication systems;
- (6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;
- (8) to provide capital security services through the department of public safety; and
- (9) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 16. Minnesota Statutes 1988, section 16B.70, is amended to read:

16B.70 [SURCHARGE.]

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division and the passenger elevator inspector in the department of labor and industry in that biennium of carrying out their duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the special revenue general fund.

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month, but shall retain two percent of the surcharges collected to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter, but shall retain four percent of the surcharges collected to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to 16B.71, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the special revenue general fund.

Sec. 17. Minnesota Statutes 1988, section 41A.09, subdivision 1, is amended to read:

Subdivision 1. [FUND ACCOUNT CREATED.] An ethanol development fund account is created as a separate fund account in the state treasury special revenue fund. The department of revenue shall administer the fund account. The fund money in the account is annually appropriated from the general fund to the commissioner of revenue for the purposes of this section and all money so appropriated is available until expended.

Sec. 18. Minnesota Statutes 1988, section 44A.0311, is amended to read:

44A.0311 [WORLD TRADE CENTER CORPORATION FUND ACCOUNT.]

The world trade center corporation fund account is an account in the state treasury special revenue fund. All money received by the corporation, including money generated from the use of the conference and service center, except money generated from the use of the center by the Minnesota trade division, must be deposited in the fund account. Money in the fund account including interest earned is appropriated to the board and must be used exclusively for corporation purposes.

Sec. 19. Minnesota Statutes 1988, section 84.83, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is created in the state treasury an account known as the snowmobile trails and enforcement account in the natural resources fund.

Sec. 20. Minnesota Statutes 1988, section 84.922, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION CARD.] The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the vehicle, the owner's name and address, and additional information the commissioner may require. Information concerning each registration shall be retained by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed the commissioner shall issue a replacement registration card upon payment of a fee of \$4. The fees collected from replacement registration cards shall be deposited in the all-terrain vehicle account in the natural resources fund.

Sec. 21. Minnesota Statutes 1988, section 84.927, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REVENUE.] Fees from the registration of all-terrain vehicles and the unrefunded gasoline tax

attributable to all-terrain vehicle use under section 296.16 shall be deposited in the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 22. Minnesota Statutes 1988, section 84A.51, subdivision 2, is amended to read:

Subd. 2. [FUNDS TRANSFERRED; APPROPRIATED.] Money in any fund established under section 84A.03, 84A.22, or 84A.32, subdivision 2, is transferred to the consolidated fund account, except as provided in subdivision 3. The money in the consolidated fund account, or as much of it as necessary, is appropriated for the purposes of sections 84A.52 and 84A.53.

Sec. 23. Minnesota Statutes 1988, section 84A.55, subdivision 14, is amended to read:

Subd. 14. [SOURCE OF FUNDS.] Salaries and expenses incurred to carry out this section must be paid from money appropriated from the consolidated fund account or other fund or account designated in the applicable appropriation.

Sec. 24. Minnesota Statutes 1988, section 85.055, subdivision 2, is amended to read:

Subd. 2. [FEE DEPOSIT AND APPROPRIATION.] The fees collected under this section shall be deposited in the state treasury and credited to the state park maintenance and operation account general fund. ~~Appropriations from the account shall be for state park maintenance and operation.~~

Sec. 25. Minnesota Statutes 1988, section 85.22, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The revolving fund heretofore established pursuant to under Laws 1941, chapter 548, section 37, subdivision E, item 4 shall hereafter be known and designated as is the state parks working capital fund, which fund account. The account is to be used to maintain and operate the revenue producing facilities in the state parks within the limitations hereinafter established limits in this section.

Sec. 26. Minnesota Statutes 1988, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of items in state parks shall be deposited in the state treasury and be credited to the state parks working capital fund, which fund account. The money in the account is annually appropriated solely for the purchase and payment of expenses

attributable to items for resale or rental. Annually, as of the close of business on June 30, the unencumbered balance in excess of \$100,000 shall be canceled into the state park maintenance and operation account.

Sec. 27. Minnesota Statutes 1988, section 85.43, is amended to read:

85.43 [DISPOSITION OF RECEIPTS; PURPOSE.]

Fees from cross country ski passes shall be deposited in the state treasury and credited to a cross country ski account and are appropriated to the commissioner of natural resources for the general fund. Money appropriated to the commissioner for cross country ski trail maintenance may be used for:

(a) grants-in-aid for cross country ski trails sponsored by local units of government and special park districts as provided in section 85.44; and

(b) maintenance, winter grooming, and associated administrative costs for cross country ski trails under the jurisdiction of the commissioner.

Sec. 28. Minnesota Statutes 1988, section 85A.04, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT] All receipts from the operation of parking and admission to the Minnesota zoological garden shall be deposited in the state treasury and credited to a zoo fund the general fund. Investment income and investment losses attributable to investment of the zoo fund must be credited to the zoo fund. Money in the zoo fund is appropriated to the board for the operation of the Minnesota zoological garden.

Sec. 29. Minnesota Statutes 1988, section 85A.04, subdivision 4, is amended to read:

Subd. 4. [ZOO RIDE CONCESSION AND REVENUE ACCOUNT.] All receipts from the operation of the zoo ride shall concessions, memberships, and donations must be deposited in a special account in the state treasury special revenue fund and are appropriated to the board. All receipts from the zoo ride are appropriated to the board for the purposes of the zoo ride. These receipts are the only money appropriated for zoo ride operating expenses or debt service.

Sec. 30. Minnesota Statutes 1988, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS, DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to a fund designated as the state forest fund account except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts.

Sec. 31. Minnesota Statutes 1988, section 89.036, is amended to read:

89.036 [FUNDS APPORTIONED TO COUNTY.]

The state of Minnesota shall ~~hereafter~~ annually on July 1 or as soon thereafter as may be practical, pay from the state forest fund account to each county, in which there now are, or hereafter shall be situated, any state forests, a sum equal to 50 percent of the gross receipts of such state forests located within such county, which have been received during the preceding fiscal year and credited to the state forest fund account, which payment shall be received and distributed by the county treasurer, as if such payment had been received as taxes on such lands payable in the current year.

After making such payment to the county, the balance of said funds in the state forest fund account on July 1 shall be transferred and credited to the forest management general fund established under section 89.04.

The commissioner of finance shall annually draw warrants upon the state treasurer for the proper amounts in favor of the respective counties entitled thereto and the state treasurer shall pay such warrants from the state forest fund account.

The commissioner of finance and the state treasurer shall, ~~and are hereby authorized and empowered to~~ devise, adopt, and use such the accounting methods as they may deem proper, and to do any and all other things reasonably necessary in carrying out ~~the provisions of~~ this section.

There is ~~hereby~~ appropriated to the counties entitled to such payment, from the state forest fund account in the state treasury, an amount sufficient to make the payments specified herein in this section.

Sec. 32. Minnesota Statutes 1988, section 89.21, is amended to read:

89.21 [CAMPGROUNDS, ESTABLISHMENT AND FEES.]

The commissioner is authorized to establish and develop state forest campgrounds and may establish minimum standards not inconsistent with the laws of the state for the care and use of such campgrounds and charge fees for such uses as specified by the commissioner of natural resources.

All fees shall be deposited in the state treasury and appropriated to the division of lands and forestry in the department of natural resources to defray costs of maintenance, operation and development of state forest campgrounds general fund.

Sec. 33. Minnesota Statutes 1988, section 93.335, subdivision 4, is amended to read:

Subd. 4. [RENTAL AND ROYALTIES, ANNUAL DISTRIBUTION; APPROPRIATION.] If the lands or minerals and mineral rights covered by any such permit or lease are held by the state in trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be distributed annually by the commissioner of finance on the first day of September as follows: 20 percent to the mineral lease account established in the state treasury under section 93.221, general fund and 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town, or city, two-ninths; and school district, four-ninths.

There is hereby appropriated from such moneys in the state treasury not otherwise appropriated to such persons or political subdivisions as are entitled to payment herein, an amount sufficient to make the payment.

Sec. 34. Minnesota Statutes 1988, section 106A.661, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF EXPENSES.] The compensation and travel and hotel expenses of the examining accountant must be audited, allowed, and paid into the state treasury by the board. The money must be credited to the revolving general fund of the state auditor. The county auditor shall apportion the expenses among the drainage systems in the county.

Sec. 35. Minnesota Statutes 1988, section 112.73, is amended to read:

112.73 [ANNUAL AUDIT.]

The managers shall make the reports demanded by the state auditor. The managers shall have the books and accounts of the

district audited annually. The audit may be made by either a public accountant or by the state auditor. If the audit is to be made by the state auditor it must be initiated by a petition of the resident freeholders of the district or resolution of the managers of the watershed district requesting the audit under the authority granted municipalities under sections 6.54 and 6.55. If the audit is made by the state auditor the district receiving the examination shall pay to the state the total cost and expenses of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The revolving general fund of the state auditor must be credited with all collections made for the examinations.

Sec. 36. Minnesota Statutes 1988, section 115.03, subdivision 1, is amended to read:

Subdivision 1. The agency is hereby given and charged with the following powers and duties:

(a) To administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) To investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) To establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) To encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) To adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities;

(1) Requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) Prohibiting or directing the abatement of any discharge of

sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) Prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) Requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) Establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973 and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obliga-

tions to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) Establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) Requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) Notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 5, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) Modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977 upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the

owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants;

(f) To require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) To prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) To conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) For the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) To train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the water pollution control pollution control agency training fund of the agency account; ~~from which the agency shall have the power to make disbursements to pay expenses relating to such training;~~

(k) To impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) To set a period not to exceed five years for the duration of any National Pollutant Discharge Elimination System permit; and

(m) To require a governmental subdivision that owns or operates a wastewater disposal system to have a plan to address its ability to pay the costs of making major repairs to the existing system and planning and constructing an adequate replacement system at the end of the existing system's expected useful life.

Sec. 37. Minnesota Statutes 1988, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall oversee the activities of the board under this chapter relating to solid and hazardous waste management, the activities of the agency under sections 116.16 to 116.181 relating to water pollution control, and the activities of the metropolitan council relating to metropolitan waste management under sections 473.801 to 473.848, and direct such changes or additions in the work plan of the board and agency as it deems fit.

(b) The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:

(1) the environmental response, compensation, and compliance fund account in the environmental fund under section 115B.20, subdivision 5;

(2) the metropolitan landfill abatement fund account under section 473.844; and

(3) the metropolitan landfill contingency action trust fund under section 473.845.

(c) The commission may conduct public hearings and otherwise secure data and expressions of opinion. The commission shall make such recommendations as it deems proper to assist the legislature in formulating legislation. Any data or information compiled by the commission shall be made available to any standing or interim committee of the legislature upon request of the chair of the respective committee.

Sec. 38. Minnesota Statutes 1988, section 115A.908, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF REVENUE.] Revenue collected shall be credited to a ~~motor vehicle transfer~~ the environmental fund.

Sec. 39. Minnesota Statutes 1988, section 115B.17, subdivision 7, is amended to read:

Subd. 7. [ACTIONS RELATING TO NATURAL RESOURCES.] For the purpose of this subdivision, the state is the trustee of the air, water and wildlife of the state. An action pursuant to section 115B.04 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, shall be deposited in the fund and credited to a special account for the purposes provided in section 115B.20, subdivision 2, clause (f) account.

Sec. 40. Minnesota Statutes 1988, section 115B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The environmental response, compensation and compliance fund is created as an account is in the environmental fund in the state treasury and may be spent only for the purposes provided in subdivision 2.

Sec. 41. Minnesota Statutes 1988, section 115B.20, subdivision 4, is amended to read:

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund account:

(a) The proceeds of the taxes imposed pursuant to section 115B.22, including interest and penalties;

(b) All money recovered by the state under sections 115B.01 to 115B.18 or under any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement but excluding fees imposed under section 116.12;

(c) All interest attributable to investment of money deposited in the fund account; and

(d) All money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Sec. 42. Minnesota Statutes 1988, section 115B.20, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] By November 1, 1984, and each year thereafter, the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund account has been spent during the previous fiscal year.

Sec. 43. Minnesota Statutes 1988, section 115B.22, subdivision 7, is amended to read:

Subd. 7. [DISPOSITION OF PROCEEDS.] The proceeds of the taxes imposed under this section including any interest and penalties shall be deposited in the fund environmental response, compensation, and compliance account.

Sec. 44. Minnesota Statutes 1988, section 115B.24, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE EXPENSES.] Any amount expended by the commissioner from a general fund appropriation to enforce and administer section 115B.22 and this section shall be reimbursed to the general fund and the amount necessary to make the reimbursement is appropriated from the fund environmental response, compensation, and compliance account to the commissioner of finance for transfer to the general fund.

Sec. 45. Minnesota Statutes 1988, section 115B.25, subdivision 7, is amended to read:

Subd. 7. [FUND ACCOUNT.] Except when another account is specified, "fund account" means the hazardous substance injury compensation fund account established in section 115B.26.

Sec. 46. Minnesota Statutes 1988, section 115B.26, is amended to read:

115B.26 [HAZARDOUS SUBSTANCE INJURY COMPENSATION FUND ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A hazardous substance injury compensation fund account is established as an account in the environmental fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund account assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board under sections 115B.25 to 115B.37 is appro-

priated to the board from the hazardous substance injury compensation fund account.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND ACCOUNT INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund account, the board shall request a transfer from the general contingent account to the hazardous substance injury compensation fund account as provided in section 3.30. If no transfer is approved, the board shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the fund account. The board shall pay the remaining claims which have been granted after additional money is credited to the fund account.

Sec. 47. Minnesota Statutes 1988, section 115C.02, subdivision 6, is amended to read:

Subd. 6. [FUND ACCOUNT.] "Fund Account" means the petroleum tank release cleanup account in the environmental fund.

Sec. 48. Minnesota Statutes 1988, section 115C.08, subdivision 1, is amended to read:

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a petroleum tank release cleanup fund account in the environmental fund in the state treasury:

- (1) the proceeds of the fee imposed by subdivision 3;
- (2) money recovered by the state under sections 115C.04, 115C.05, and 116.491, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;
- (3) interest attributable to investment of money in the fund account;
- (4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund account; and
- (5) fees charged for the operation of the tank installer certification program established under section 116.491.

Sec. 49. Minnesota Statutes 1988, section 116.41, subdivision 2, is amended to read:

Subd. 2. [TRAINING AND CERTIFICATION PROGRAMS.] The agency shall develop standards of competence for persons operating

and inspecting various classes of disposal facilities. The agency shall conduct training programs for persons operating facilities for the disposal of waste and for inspectors of such facilities, and may charge such fees as are necessary to cover the actual costs of the training programs. All fees received shall be paid into the state treasury and credited to a separate waste disposal the pollution control agency training account and are appropriated to the agency to pay expenses relating to the training of disposal facility personnel.

The agency shall require operators and inspectors of such facilities to obtain from the agency a certificate of competence. The agency shall conduct examinations to test the competence of applicants for certification, and shall require that certificates be renewed at reasonable intervals. The agency may charge such fees as are necessary to cover the actual costs of receiving and processing applications, conducting examinations, and issuing and renewing certificates. Certificates shall not be required for a private individual for landspreading and associated interim and temporary storage of sewage sludge on property owned or farmed by that individual.

Sec. 50. Minnesota Statutes 1988, section 116J.64, subdivision 6, is amended to read:

Subd. 6. The remaining 20 percent of the tax revenue received by the county auditor under section 273.165, subdivision 1 shall be remitted by the county auditor to the state treasurer and shall be deposited in a special account called the "Indian business loan account," which shall be a revolving fund created and an account in the special revenue fund. The account is established under the jurisdiction and control of the agency, which may engage in a business loan program for American Indians as that term is defined in subdivision 2. The tribal councils may administer the fund account, provided that, before making any eligible loans, each tribal council must submit to the agency, for its review and approval, a plan for that council's loan program which specifically describes, as to that program, its content, utilization of funds money, administration, operation, implementation, and other matters required by the agency. All such programs must provide for a reasonable balance in the distribution of funds money appropriated pursuant to this section for the purpose of making to make business loans between Indians residing on and off the reservations within the state. As a condition to the making of such eligible loans, the tribal councils shall enter into a loan agreement and other contractual arrangements with the agency for the purpose of carrying to carry out the provisions of this chapter, and shall agree that all official books and records relating to the business loan program shall be subject to audit by the legislative auditor in the same manner prescribed for agencies of state government.

Whenever any moneys are money is appropriated by the state treasurer to the agency solely for the above-specified purpose or

purposes in this subdivision, the agency shall establish a separate bookkeeping account or accounts record in the Indian business loan fund to record account the receipt and disbursement of such the money and of the income, gain and loss from the investment and reinvestment thereof of the money.

Sec. 51. Minnesota Statutes 1988, section 116J.873, subdivision 4, is amended to read:

Subd. 4. [GRANT LIMITS.] An economic recovery grant may not be approved for an amount over \$500,000. The division may recommend less funding than requested if, in the opinion of the division, the amount requested is more than is necessary to meet the applicant's needs. If the amount of the grant is reduced, the reasons for the reduction shall be given to the applicant. The portion of an economic recovery grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local community or recognized Indian tribal government by the person or entity to which it was loaned by the local community or Indian tribal government. Money repaid to the state is appropriated to the commissioner of trade and economic development for the purpose of making additional economic recovery grants shall be deposited in the general fund.

Sec. 52. Minnesota Statutes 1988, section 116J.955, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund account is established as an account in the state treasury special revenue fund. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund account. The principal amount of the rural rehabilitation revolving fund account must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the purposes of Laws 1987, chapter 386, article 1.

Sec. 53. Minnesota Statutes 1988, section 116J.955, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUND ACCOUNT.] The commissioner may use the rural rehabilitation revolving fund account for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under Laws 1987, chapter 386, article 1. Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. The commissioner may

create separate accounts within the fund for use in accordance with the fund's purposes.

Sec. 54. Minnesota Statutes 1988, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums, and interest, and fees collected under subdivision 3, clause (6), must be deposited into this account. Fees collected must be deposited in the general fund. The balance in the account may exceed \$1,000,000 through accumulated earnings. Money in the account including interest earned and appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below \$1,000,000 as required to pay defaults on guaranteed loans.

Sec. 55. Minnesota Statutes 1988, section 116N.02, subdivision 6, is amended to read:

Subd. 6. [FUND ACCOUNT ALLOCATION.] The commissioner shall allocate \$6,000,000 from the rural rehabilitation revolving fund account to be used for the challenge grant program.

Sec. 56. Minnesota Statutes 1988, section 116N.08, subdivision 4, is amended to read:

Subd. 4. [REVOLVING LOAN FUND.] A regional organization shall establish a board certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation revolving fund account established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation revolving fund account may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

Sec. 57. Minnesota Statutes 1988, section 116N.08, subdivision 8, is amended to read:

Subd. 8. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local

governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the unit. Revenues from tax increments derived from a district located within the boundaries of the local governmental unit may be used to fund a second local revolving loan fund only if (1) those revenues are loaned in a manner authorized in the district's tax increment financing plan to a business located within the tax increment district, and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established. The local governmental unit may deposit up to \$50,000 of local public money in each of the local revolving funds that may be established under this subdivision. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation revolving fund account. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

Sec. 58. Minnesota Statutes 1988, section 116O.03, subdivision 3, is amended to read:

Subd. 3. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this chapter. The corporation must publish the bylaws and amendments to the bylaws in the State Register.

Sec. 59. Minnesota Statutes 1988, section 116O.03, is amended by adding a subdivision to read:

Subd. 11. [STATEMENTS OF ECONOMIC INTEREST.] Directors, officers, and employees of the corporation are public officials for the purpose of section 10A.09, and must file statements of economic interest with the ethical practices board.

Sec. 60. Minnesota Statutes 1988, section 116O.04, is amended by adding a subdivision to read:

Subd. 4. [PERSONNEL POLICIES.] (a) The corporation must adopt and periodically revise, if necessary, an affirmative action plan similar to the affirmative action plan under section 43A.19, subdivision 1. The corporation is subject to the audit and reporting requirements under section 43A.191, subdivision 3.

(b) Employees of the corporation are subject to the prohibition of

political activities and required leave of absences under section 43A.32.

(c) Employees of the corporation are subject to the code of ethics requirements under section 43A.38.

Sec. 61. Minnesota Statutes 1988, section 116O.05, is amended to read:

116O.05 [POWERS OF THE CORPORATION.]

Subdivision 1. [LIMITATION.] The corporation may exercise only the specific powers listed in this chapter and may only carry out activities that meet the purposes stated in this chapter.

Subd. 2. [GENERAL CORPORATE POWERS.] (a) Except as otherwise provided in this article, The corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.

(b) The state is not liable for the obligations of the corporation.

(c) Section 302A.041 applies to this article and the corporation in the same manner that it applies to business corporations established under chapter 302A.

Subd. 3. [ACCOUNTING AND BUDGETING.] The corporation is a state agency for the purposes of the following accounting and budgeting requirements:

(1) financial reports and other requirements under section 16A.06;

(2) the state budget system under sections 16A.095, 16A.10, and 16A.11;

(3) the state allotment and encumbrance, and accounting systems under sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and

(4) indirect costs under section 16A.127.

Sec. 62. Minnesota Statutes 1988, section 116O.12, is amended to read:

116O.12 [GREATER MINNESOTA FUND ACCOUNT.]

(a) The Greater Minnesota fund account is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes special revenue fund. Money in the fund account not needed for the immediate purposes of the corporation may be invested by the corporation state board of investment in any way authorized by section 11A.24. Money in the fund account is appropriated to the corporation to be used as provided in this chapter.

(b) The fund account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;
- (5) gifts, donations, and bequests made to the corporation; and
- (6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund account. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the greater Minnesota corporation fund account.

Sec. 63. Minnesota Statutes 1988, section 116O.13, is amended to read:

116O.13 [AGRICULTURAL PROJECT UTILIZATION FUND ACCOUNT.]

The agricultural project utilization fund account is a fund an account in the state treasury special revenue fund. Money in the fund account is appropriated to the agricultural utilization research institute to be used for agricultural research grants as provided in section 116O.09, subdivision 4, and for the agricultural utilization research institute.

Sec. 64. Minnesota Statutes 1988, section 148B.17, is amended to read:

148B.17 [FEES.]

Each board shall by rule establish fees, including late fees, for licenses or filings and renewals so that the total fees collected by the

board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128, plus the prorated costs of the office of social work and mental health boards. Fees must be credited to accounts in the state government special revenue fund.

Sec. 65. Minnesota Statutes 1988, section 169.121, subdivision 5a, is amended to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of \$75. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the chemical dependency assessment charge within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period. The commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 169.126, subdivision 4a general fund.

The chemical dependency assessment charge required under this section is in addition to the surcharge required by section 609.101.

Sec. 66. Minnesota Statutes 1988, section 169.126, subdivision 4, is amended to read:

Subd. 4. [CHEMICAL USE ASSESSMENT.] (a) Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem, the court shall require the defendant to undergo a comprehensive chemical use assessment conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the chemical use assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week

after the defendant's court appearance. The comprehensive chemical use assessment must be completed no later than two weeks after the appointment date.

(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3.

(c) The state shall reimburse the county for the entire cost of each chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case. The county may not be reimbursed for the cost of any chemical use assessment or report not completed within the time limit provided in this subdivision. Reimbursement to the county must be made from the special account established in subdivision 4a general fund.

(d) If the preliminary alcohol problem screening is conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3, consists of a comprehensive chemical use assessment of the defendant, and complies with the chemical use assessment report requirements of paragraph (b), it is a chemical use assessment for the purposes of this section and the court may not require the defendant to undergo a second chemical use assessment under paragraph (a). The state shall reimburse counties for the cost of alcohol problem screenings that qualify as chemical use assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.

Sec. 67. Minnesota Statutes 1988, section 169.126, subdivision 4a, is amended to read:

Subd. 4a. [DRINKING AND DRIVING REPEAT OFFENSE PREVENTION ACCOUNT.] A special account is established in the state treasury known as the drinking and driving repeat offense prevention account. Money credited to the account is appropriated continuously to The commissioner of public safety and shall be spent by the commissioner to reimburse counties for the entire cost of each chemical use assessment and report completed within the time limit provided under subdivision 4, up to a maximum of \$100 in each case.

Sec. 68. Minnesota Statutes 1988, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; SPECIAL ACCOUNT.] One-half of the fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account, provided that the total amount of fines deposited in the account may not exceed

\$750,000 per year the general fund. The remaining fines must be distributed as provided in statute. Money in the account shall be distributed to The commissioner of health shall distribute funds to the eight regional emergency medical services systems designated by the commissioner under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. This appropriation is from the general fund.

Sec. 69. Minnesota Statutes 1988, section 190.25, subdivision 3, is amended to read:

Subd. 3. The adjutant general is authorized to sell in the manner provided by law any or all timber, growing crops, buildings and other improvements, if any, situated upon the lands acquired under the authority of subdivision 1 or which may hereafter comprise the Camp Ripley military field training center and not needed for military training purposes. The proceeds of any sales shall be deposited in the military land general fund, and the moneys deposited are appropriated to the adjutant general out of the fund for: the acquisition of land as provided in subdivision 1; the payment of expenses of forest management on land forming the Camp Ripley military reservation; and the provision of an enlisted persons' service center.

Sec. 70. Minnesota Statutes 1988, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984 by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited in the state treasury. Fees received by health-related licensing boards must be credited to the state government special revenue fund. Any balance remaining in the special revenue fund at the end of each fiscal year, after payment of health-related licensing board expenses including salaries, attorney general fees, and indirect costs, must be credited to the public health fund.

Sec. 71. Minnesota Statutes 1988, section 256.482, subdivision 7, is amended to read:

Subd. 7. [COLLECTION OF FEES.] The council is empowered to establish and collect fees for documents or technical services provided to the public. The fees shall be set at a level to reimburse the council for the actual cost incurred in providing the document or service. Notwithstanding the provisions of section 16A.72, All fees collected shall be deposited into the state treasury and credited to a separate dedicated account for council services. All money in this dedicated account is appropriated by law to the council to provide documents and technical services to the public general fund.

Sec. 72. Minnesota Statutes 1988, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and the parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor

vehicles or boats directed to the correction of the child's driving habits;

(g) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(h) If the court finds that the child committed an offense described in section 169.121, the court shall order that an alcohol problem screening be conducted and a screening report submitted to the court in the manner prescribed in section 169.126. Except as otherwise provided in section 169.126, subdivision 4, paragraph (d), if the alcohol problem screening shows that the child has an identifiable chemical use problem, the court shall require the child to undergo a comprehensive chemical use assessment in accordance with section 169.126, subdivision 4. If the chemical use assessment recommends a level of care for the child, the court may require that level of care in its disposition order. In addition, the court may require any child ordered to undergo a chemical use assessment to pay a chemical dependency assessment charge of \$75. The court shall forward the assessment charge to the commissioner of finance to be credited to the special account created in section 169.126, subdivision 4a general fund. The state shall reimburse counties for the total cost of the chemical use assessment in the manner provided in section 169.126, subdivision 4.

Sec. 73. Minnesota Statutes 1988, section 270.069, is amended to read:

270.069 [COMMISSIONER TO COLLECT CERTAIN LOCAL TAXES.]

Subdivision 1. [COSTS DEDUCTED; APPROPRIATION.] If the commissioner of revenue agrees to collect a locally imposed tax, the local unit of government must agree that all the direct and indirect costs of the department of revenue for collecting the tax and any other statewide indirect costs will be deducted from the amounts collected and paid to the local unit of government. The amounts deducted must be deposited in the state treasury and credited to a local tax collection account. Money in the account is appropriated to the commissioner of revenue to collect the locally imposed tax the general fund.

Subd. 2. [DEVELOPMENT COSTS.] If the commissioner determines that a new computer system will be required to collect the locally imposed taxes, the costs of development of the system will be charged to the first local units of government to be included in the system. Any additional local units of government that by agreement are added to the system will be charged for a share of the development costs. The charge will be determined by the commissioner who

shall then refund to the original local units of government their portion of the development costs recovered from the additional users. The amounts necessary to make the refunds are appropriated from the local tax collection account to the commissioner of revenue.

Sec. 74. Minnesota Statutes 1988, section 270.185, subdivision 1, is amended to read:

Subdivision 1. A permanent reassessment revolving fund account of \$250,000 is created in the special revenue fund. \$250,000 is appropriated from the general fund to the permanent reassessment revolving fund. The fund money in the account is annually appropriated to the commissioner of revenue for the purposes of this section.

Sec. 75. Minnesota Statutes 1988, section 273.02, subdivision 5, is amended to read:

Subd. 5. [REFUNDS FOR IRON ORE NOT FOUND.] Any taxpayer having paid real estate taxes on valuations of iron ore, considered to be commercially mineable, which was believed to have existed, and was subsequently determined not to exist, may apply to the commissioner of revenue for a refund of taxes paid thereon, as provided herein. Such application for refund shall be filed in the year in which it is determined that the iron ore does not exist. No refund shall be made for taxes paid or payable more than six years previous to the date of said application. The refunds shall be paid from the special general fund established in subdivision 6, and so much as is needed to pay such refunds is hereby appropriated.

Sec. 76. Minnesota Statutes 1988, section 273.02, subdivision 6, is amended to read:

Subd. 6. [SPECIAL GENERAL FUND.] The taxes collected in accordance with subdivision 4 shall be transmitted by the county treasurer to the state treasurer and deposited in a special general fund. There shall be paid from this special the general fund the amount of refunds determined in accordance with subdivision 5. In the event the amount in such fund is not sufficient to pay such refunds, the refunds shall be paid as soon as sufficient amounts are available in the fund.

The balance in such fund shall be distributed at the end of each fiscal year to the iron range resources and rehabilitation board account.

Sec. 77. Minnesota Statutes 1988, section 284.28, subdivision 8, is amended to read:

Subd. 8. There is established in the state treasury a real estate

assurance account. This account is composed of money appropriated by the legislature for this purpose and all money deposited in the state treasury and credited to the account. Money in the state treasury credited to the real estate assurance account from all sources is annually appropriated to the state treasurer for the purpose of paying claims ordered by the district court to be paid from the fund. At the time of sale of a parcel of tax forfeited land, the county auditor shall charge and collect in full an amount equal to three percent of the total sale price of land. Before filing a notice of expiration of time for redemption, in cases where an auditor's certificate of sale or a state assignment certificate has been issued, the county auditor shall charge and collect in full from the holder of the certificate an amount equal to three percent of the appraised value of the property for tax purposes. The amounts so collected by the auditor shall be deposited in the state treasury and credited to the real estate assurance account general fund. Income earned from moneys in the account shall be credited to the account. The state treasurer may separately invest account moneys.

In determining compensation for the unjust deprivation suffered by the claimant, which may include severance damages sustained if the claimant owns adjoining land, the court shall take into account delinquent taxes, penalties, costs, and interest which would have been due and owing if the claimant had redeemed the land.

No claimant shall recover the value of improvements made to the land by other persons or the increment in value of land that occurs after the claimant has actual notice of the forfeiture proceeding. All claims against the real estate assurance account and ordered by the district court to be paid therefrom shall be obligations of the state and shall be paid out of the first moneys coming into the assurance general fund from legislative appropriations, the collection of money by county auditors or from any other sources as provided by law.

There is appropriated from the general fund to the state treasurer amounts sufficient to pay the amount by which any claims ordered to be paid from the real estate assurance account pursuant to under this subdivision, exceed the amount existing in the account at the time of the order, but the total amount appropriated from the general fund shall not exceed the amounts transferred from the real estate assurance account to the general fund pursuant to Laws 1981, chapter 356, section 339, plus interest.

Sec. 78. Minnesota Statutes 1988, section 284.28, subdivision 9, is amended to read:

Subd. 9. In any action brought to recover loss or damage from the real estate assurance account general fund, the state treasurer, in that official capacity, shall be named as defendant. If the assurance account is insufficient to pay the amount of any judgment, in full, the unpaid balance thereof shall bear interest at the legal rate and

shall be paid together with any accrued interest thereon. The attorney general or, at the attorney general's request, the county attorney of the county in which the land or a major part of it lies, shall defend the state treasurer in all such actions.

Sec. 79. Minnesota Statutes 1988, section 284.28, subdivision 10, is amended to read:

Subd. 10. Any action or proceeding pursuant to this section to recover damages ~~out of the real estate assurance fund~~ shall be commenced within ten years after the expiration of the periods within which claims may be asserted pursuant to subdivisions 2 and 3, and not afterwards. If, within this ten year period the person entitled to bring such action or proceeding is under legal disability, such person, or anyone claiming under the person, may commence such action or proceeding within the period expiring two years after such disability is removed or within the ten year period, whichever period is greater.

Sec. 80. Minnesota Statutes 1988, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNRE-FUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is \$675,000 annually and is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 as follows: ~~\$400,000 must be credited to a the state forest road account and established in section 89.70. \$275,000 must be credited to a county management access road account of this amount must be annually transferred to counties for management and maintenance of county forest roads.~~

Sec. 81. Minnesota Statutes 1988, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue ~~in a separate and special fund, designated as the tobacco tax revenue fund,~~ in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources account;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 82. Minnesota Statutes 1988, section 297.26, is amended to read:

297.26 [REVENUE DISTRIBUTION.]

All revenues derived from taxes, penalties, and interest under sections 297.21 to 297.26 shall be deposited by the commissioner in the tobacco tax revenue fund state treasury and disposed of in the same manner as provided by section 297.13 for revenues received under sections 297.01 to 297.13.

Sec. 83. Minnesota Statutes 1988, section 297.32, subdivision 9, is amended to read:

Subd. 9. Revenue derived from the taxes imposed by this section must be deposited by the commissioner in the state treasury and credited as follows:

(1) the revenue produced by the tax on five percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the Minnesota state water pollution control fund created in section 116.16; and

(2) the balance of the revenue must be credited to the general fund.

Sec. 84. Minnesota Statutes 1988, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and (c) all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic development account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner of revenue in a separate and special fund, designated as the sports and health club sales tax revenue fund in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

Sec. 85. Minnesota Statutes 1988, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, assignment, or continuation statement is filed, or to whom a request for search is made, shall collect a \$2 surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the ~~uniform commercial code account~~ general fund.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 86. Minnesota Statutes 1988, section 357.021, subdivision 2a, is amended to read:

Subd. 2a. [CERTAIN FEE PURPOSES.] Of the marriage dissolution fee collected pursuant to subdivision 1 2, the court administrator shall pay \$35 to the state treasurer to be deposited in the special revenue general fund to be used as follows: \$15 for the purposes of ~~funding grant programs for emergency shelter services and support services to battered women under sections 611A.31 to 611A.36 and for administering displaced homemaker programs established un-~~

der section 268.96; and \$20 is appropriated to the commissioner of corrections for the purpose of funding emergency shelter services and support services to battered women, on a matching basis with local money for 20 percent of the costs and state money for 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 611A.31 to 611A.36 and for administering displaced homemaker programs established under section 268.96, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of jobs and training. The commissioner of jobs and training may use money appropriated in this subdivision for the administration of a displaced homemaker program regardless of the date on which the program was established.

Sec. 87. Minnesota Statutes 1988, section 373.27, subdivision 3, is amended to read:

Subd. 3. All money grants under subdivision 1 shall be deposited in the general special revenue fund in the state treasury in a special account in the name of the commission or commissioner named in subdivision 1 to whom it was granted, and is appropriated to the commission or commissioner for the purposes specified in the grant. The money shall not cancel but shall remain available until expended for the purpose or purposes for which it was granted. If no specific purpose is named in the grant, the money shall be available to the commission or commissioner for any of the purposes set forth in subdivision 1.

Sec. 88. Minnesota Statutes 1988, section 402.065, is amended to read:

402.065 [BUDGET, LEVY; AUDIT.]

In conjunction with the county budget setting process, the human services board shall submit to each county board of commissioners participating in the human services board an estimate of the amount needed by it to perform its duties, including expenses of administration, and, if approved, each county shall levy a tax as provided by law for these purposes. In the event the estimate is not approved, each county board of commissioners participating in the human services board shall confer with the human services board, develop a budget and levy a tax for the amount required. The state auditor shall audit the books and accounts of the human services board once each year. The human services board shall pay to the state the total cost and expenses of the examination, including the salaries paid to auditors while actually engaged in making the examination. The revolving general fund of the state auditor shall be credited with all collections made for any examination.

Sec. 89. Minnesota Statutes 1988, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELEPHONE SERVICE FEE.] (a) Each customer of a local exchange company is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telephone service account in the special revenue fund. The money in the account may only be used for 911 telephone services as provided in paragraph (a).

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

Sec. 90. Minnesota Statutes 1988, section 462.396, subdivision 4, is amended to read:

Subd. 4. The commission shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the commission shall be made by check signed by the chair or vice-chair or secretary of the commission and countersigned by the executive director or an authorized deputy thereof after such auditing and approval of the expenditure as may be provided by rules of the commission. The state auditor shall audit the books and accounts of the commission once each year, or as often as funds and personnel of the state auditor permit. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the auditors while actually engaged in making such examination. The revolving general fund of the state auditor shall be credited with all collections made for any such examination.

Sec. 91. Minnesota Statutes 1988, section 469.056, subdivision 4, is amended to read:

Subd. 4. [COMPLIANCE EXAMINATIONS.] At the request of the

city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving general fund of the state auditor.

Sec. 92. Minnesota Statutes 1988, section 469.100, subdivision 6, is amended to read:

Subd. 6. [COMPLIANCE EXAMINATIONS.] At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving general fund of the state auditor.

Sec. 93. Minnesota Statutes 1988, section 471.699, is amended to read:

471.699 [ENFORCEMENT OF REPORTING REQUIREMENTS.]

Failure of a city to timely file a statement or report under section 471.697 or 471.698 shall, in addition to any other penalties provided by law, authorize the state auditor to send full time personnel to the city or to contract with private persons, firms or corporations pursuant to section 6.58, in order to complete and file the financial statement or report. The expenses related to the completion and filing of the financial statement or report shall be charged to the city. Upon failure by the city to pay the charge within 30 days of billing, the state auditor shall so certify to the commissioner of finance who shall forward the amount certified to the state auditor's revolving general fund and deduct the amount from any state funds due to the city under any shared taxes or aids. The state auditor's annual report on cities shall include a listing of all cities failing to file a statement or report.

Sec. 94. Minnesota Statutes 1988, section 473.13, subdivision 4, is amended to read:

Subd. 4. [ACCOUNTS; AUDITS.] The council shall keep an accurate account of its receipts and disbursements. Disbursements of council money must be made by check, signed by the chair or vice-chair of the council and countersigned by its director or assistant director after whatever auditing and approval of the expenditure may be provided by rules of the council. The state auditor shall audit the books and accounts of the council once each year, or as often as funds and personnel of the state auditor permit. The council

shall pay to the state the total cost and expenses of the examination, including the salaries paid to the auditors while actually engaged in making the examination. The revolving general fund of the state auditor must be credited with all collections made for any examination.

Sec. 95. Minnesota Statutes 1988, section 473.375, subdivision 17, is amended to read:

Subd. 17. [AUDIT.] The board must be audited at least once each year. The board may elect to be audited by a certified public accountant or by the state auditor. If the board chooses the state auditor, the state auditor shall audit, either directly or by subcontract, the board's financial accounts and affairs at least once each year. The information in the audit must be contained in the annual report and distributed in accordance with section 473.445, subdivision 3. The board shall pay the total cost of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received for the state audits must be deposited in the revolving general fund of the state auditor.

Sec. 96. Minnesota Statutes 1988, section 473.435, subdivision 2, is amended to read:

Subd. 2. [AUDIT.] The commission must be audited at least once each year. The commission may elect to be audited by a certified public accountant or by the state auditor. If the commission chooses the state auditor, the state auditor shall make an audit, either directly or by subcontract, of the commission's financial accounts and affairs at least once each year. Copies of the auditor's report shall be filed and kept open to public inspection in the offices of the secretary of the commission, the board, and the secretary of state. The information in the audit shall be contained in the annual report and distributed in accordance with section 473.445. The commission shall pay the total cost of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received for the state audits must be deposited in the revolving general fund of the state auditor.

Sec. 97. Minnesota Statutes 1988, section 473.543, subdivision 5, is amended to read:

Subd. 5. The state auditor shall audit the books and accounts of the commission at least once each year. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The revolving general fund of the state auditor shall be credited with all collections made for any such examination. The council may also require the commission to have an independent

audit made by a certified public accountant to be paid for by the commission, and may examine the commission's books and accounts at any time.

Sec. 98. Minnesota Statutes 1988, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) one-half of the proceeds must be deposited in the metropolitan landfill abatement fund account established in section 473.844; and

(b) one-half of the proceeds must be deposited in the metropolitan landfill contingency action trust fund established in section 473.845.

Sec. 99. Minnesota Statutes 1988, section 473.844, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The metropolitan landfill abatement fund account is created as an account in the state treasury environmental fund in order to reduce to the greatest extent feasible and prudent the need for and practice of land disposal of mixed municipal solid waste in the metropolitan area. The fund account consists of revenue deposited in the fund account under section 473.843, subdivision 2, clause (a), and interest earned on investment of money in the fund account. All repayments to loans made under this section must be credited to the fund account. The money in the fund account may be spent only for purposes of metropolitan landfill abatement as provided in subdivision 1a and only upon appropriation by the legislature.

Sec. 100. Minnesota Statutes 1988, section 473.845, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The metropolitan landfill contingency action trust fund is created as an account expendable trust fund in the state treasury. The fund consists of revenue deposited in the fund under section 473.843, subdivision 2, clause (b); amounts recovered under subdivision 6; and interest earned on investment of money in the fund.

Sec. 101. Minnesota Statutes 1988, section 480.09, subdivision 5, is amended to read:

Subd. 5. All moneys collected shall be paid into the state treasury and are appropriated to the state law librarian for library purposes credited to the general fund. Separate accounts shall be maintained

for book sales receipts, the book purchasing service, and computer-assisted legal research.

Sec. 102. Minnesota Statutes 1988, section 481.01, is amended to read:

481.01 [BOARD OF LAW EXAMINERS; EXAMINATIONS.]

The supreme court shall, by rule from time to time, prescribe the qualifications of all applicants for admission to practice law in this state, and shall appoint a board of law examiners, which shall be charged with the administration of such rules and with the examination of all applicants for admission to practice law. The board shall consist of not less than three, nor more than seven, attorneys at law, who shall be appointed each for the term of three years and until a successor qualifies. The supreme court may fill any vacancy in the board for the unexpired term and in its discretion may remove any member thereof. The board shall have a seal and shall keep a record of its proceedings, of all applications for admission to practice, and of persons admitted to practice upon its recommendation. At least two times a year the board shall hold examinations and report the result thereof, with its recommendations, to the supreme court. Upon consideration of such report, the supreme court shall enter an order in the case of each person examined, directing the board to reject or to issue to the person a certificate of admission to practice. The board shall have such officers as may, from time to time, be prescribed and designated by the supreme court. The fee for examination shall be fixed, from time to time, by the supreme court, but shall not exceed \$50. Such The fees, and any other fees which that may be received pursuant to such under rules as the supreme court may promulgate adopts governing the practice of law shall must be paid to the state treasurer and shall constitute a special fund in the state treasury credited to the general fund. The moneys in such fund are appropriated annually to the supreme court for the payment of compensation and expenses of the members of the board of law examiners and for otherwise regulating the practice of law. The moneys in such fund shall never cancel. Payments therefrom shall be made by the state treasurer, upon warrants of the commissioner of finance issued upon vouchers signed by one of the justices of the supreme court. The members of the board shall have such compensation and such allowances for expenses as may, from time to time, be fixed by the supreme court.

Sec. 103. Minnesota Statutes 1988, section 481.20, is amended to read:

481.20 [CLIENT SECURITY ACCOUNT.]

Fees received under rules or orders adopted by the supreme court governing a client security fund or account must be deposited in the state treasury and credited to a client security account. Investment

income and investment losses attributable to investment of the client security account must be credited to the account. Money in the account is appropriated to the supreme court to pay the expenses of the client security board and claims approved by the board the general fund.

Sec. 104. Minnesota Statutes 1988, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee collected pursuant to subdivision 1b, the court administrator shall pay \$30 to the state treasurer to be deposited in the special revenue fund to be used as follows: \$6.75 is appropriated to the commissioner of corrections for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 611A.31 to 611A.36; and \$23.25 is appropriated to the commissioner of jobs and training for displaced homemaker programs under section 268.96. The commissioner of jobs and training may use money appropriated in this subdivision for the administration of a displaced homemaker program regardless of the date on which the program was established general fund.

Sec. 105. Minnesota Statutes 1988, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS; MINIMUM FINES.]

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family. If the court fails to waive or impose an assessment required by this section, the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine.

Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the

court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge and the commissioner shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury the general fund.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

(1) use for crime victim reparations under sections 611A.51 to 611A.68;

(2) use by the crime victim and witness advisory council established under section 611A.71; and

(3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the minimum fine mandated by this subdivision and forward 70 percent of it to a local victim assistance

program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the crime victim and witness account established in subdivision 1 general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the crime victim and witness account general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims. Fine proceeds credited to the crime victim and witness account may be appropriated to the crime victim and witness advisory council, and the council may use all or part of the proceeds for the purpose of providing grants to establish new victim assistance programs.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs approved by the department of corrections: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 106. Minnesota Statutes 1988, section 609.5315, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTION OF MONEY.] Seventy percent of the money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the appropriate agency for deposit as a supplement to its operating fund or similar fund for use in law enforcement to the general fund, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the crime victim and witness account established under section 609.101 general fund. Any local police relief association organized under chapter 423, which received or was entitled to receive the proceeds of any sale made under this section before the

effective date of Laws 1988, chapter 665, sections 1 to 17, shall continue to receive and retain the proceeds of these sales.

Sec. 107. Minnesota Statutes 1988, section 611A.61, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT OF REVENUE TO FUND.] The first \$18,000 ~~Amounts~~ collected under this section in each year of the biennium ~~must be deposited into the general fund. Amounts in excess of \$18,000 must be deposited into the crime victim and witness account in the state treasury for the purposes established in section 609.101.~~

Sec. 108. Minnesota Statutes 1988, section 626.861, subdivision 3, is amended to read:

Subd. 3. [COLLECTION BY COURT.] After a determination by the court of the amount of the fine or penalty assessment due, the court administrator shall collect the appropriate penalty assessment and transmit it to the county treasurer separately with designation of its origin as a penalty assessment, but with the same frequency as fines are transmitted. Amounts collected under this subdivision shall then be transmitted to the state treasurer for deposit in the general fund ~~for peace officers training, in the same manner as fines collected for the state by a county.~~ The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 109. Minnesota Statutes 1988, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to ~~a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others the general fund.~~ The commissioner may allocate from funds appropriated as follows:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 110. [INSTRUCTION TO REVISOR.]

Subdivision 1. [CHANGES IN THIS SECTION.] In the next edition of Minnesota Statutes, the revisor of statutes shall make the changes listed in this section.

Subd. 2. ["FUND" TO "ACCOUNT."] (a) The revisor shall change "fund" to "account" in sections 41A.09, subdivision 3; 84.155; 84A.51, subdivisions 1 and 3; 84A.54; 84A.55, subdivision 10; 115A.15, subdivision 6; 115B.02, subdivision 7; 115B.16, subdivision 4; 115B.19; 115B.20, subdivisions 2 and 5; 115B.30; 115C.04, subdivision 3; 115C.08, subdivisions 2 and 4; 115C.09, subdivision 3; 115C.10, subdivision 1; 116.07, subdivision 4d; 116J.980, subdivision 1; 116N.08, subdivisions 3 and 5; 116O.02, subdivision 4; and 473.844, subdivisions 1a and 3.

(b) The revisor shall change "funds" to "accounts" in section 84.155.

Subd. 3. [FUND AND ACCOUNT NAMES.] The revisor shall make the indicated changes to the sections and subdivisions listed in this subdivision:

(1) in section 16B.70, subdivisions 1 and 2, "special revenue fund" to "general fund";

(2) in section 43A.21, subdivision 4, "general fund" to "special revenue fund";

(3) in section 84.0911, subdivision 2, "wild rice management account" to "game and fish fund";

(4) in section 84A.53, subdivision 1, "consolidated fund" to "consolidated account";

(5) in section 84A.53, subdivision 2, "consolidated conservation fund" to "consolidated account";

(6) in section 85.052, subdivision 4, "state park maintenance and operation account" to "general fund";

(7) in section 88.14, subdivision 3, "forest service fund" to "general fund";

(8) in section 88.79, subdivision 2, "forest management fund" to "general fund";

(9) in section 89.37, subdivision 4, "forest management fund" to "forest nursery account";

(10) in section 94.16, subdivision 3, "land acquisition account" to "natural resources fund";

(11) in section 106A.615, subdivision 6, "wildlife acquisition fund" to "game and fish fund";

(12) in section 116.05, subdivision 2, "pollution control agency fund" to "general fund";

(13) in section 116.12, subdivision 1, "special revenue fund" to "special revenue account";

(14) in section 183.545, subdivision 9, "special revenue fund" to "general fund";

(15) in section 270.185, subdivision 2, "revolving fund" to "account";

(16) in section 284.28, subdivisions 4 and 7, "assurance fund" to "general fund";

(17) in sections 326.47, subdivision 3, and 326.52, "special revenue fund" to "general fund";

(18) in section 385.20, "common school fund" to "general fund"; and

(19) in section 403.11, subdivision 1, "special revenue fund" to "state government special revenue fund."

Sec. 111. [SPECIAL INSTRUCTION.]

The department of finance may adjust appropriations made to individual agencies for the 1990-1991 biennium to reflect the fund consolidation structure contained in this article while developing agency spending plans for the biennium. The department shall also have authority to resolve inconsistencies between existing statutes and this article through June 30, 1991. The department shall report adjustments made in agency budgets to implement this article to the chairs of the house appropriations and senate finance committees with specific recommendations on any statutory changes needed to clarify the inconsistency between this article and existing statute.

Sec. 112. [12 FUND TRANSFER.]

Unless specifically provided otherwise in this act, fees on deposit in the special revenue fund No. 12 at the close of business June 30, 1989, are transferred to the general fund.

Sec. 113. [REPEALER.]

Subdivision 1. [STATUTORY SECTIONS.] Minnesota Statutes 1988, sections 3C.035; 3C.056; 11A.22; 84.0911, subdivisions 1 and

3; 85.051; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 190.26; 344.03; and 469.121, subdivision 1, are repealed.

Subd. 2. [TEMPORARY COST ACCOUNTING SYSTEM; RECOMMENDATION.] Notwithstanding the repeal of Minnesota Statutes, sections 97A.065, subdivision 3, 97A.071, and 97A.075, during the biennium the department of natural resources shall develop a cost accounting system to keep track of each source of the revenues dedicated under the repealed sections. The commissioner of finance, after consulting with the commissioner of natural resources shall recommend a permanent method of tracking these revenues to the state department's division of the house appropriations and senate finance committees.

Sec. 114. [EFFECTIVE DATE.]

Section 85 is effective June 30, 1991."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5; 16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42;

97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7; 115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a subdivision; 116O.03, subdivisions 1, 2, 3, and by adding subdivisions; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivisions 2 and 7; 116O.12; 116O.13; 116O.14; 116O.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 1 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivision 3; 192.51, subdivision 2; 196.02; 196.021; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185, subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435, subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3.865, 3.866; 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3;

41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983, chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1, sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 417, A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.44, subdivision 1; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 173; 297A; and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SOLID WASTE REDUCTION

Section 1. Minnesota Statutes 1988, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the legislative commission summarizing past activities and proposed goals of the program for the following biennium. The report shall include at least:

(1) a summary list of product and commodity purchases that contain recycled materials;

(2) the results of any performance tests conducted on recycled products and agencies' experience with recycled products used;

(3) a list of all organizations participating in and using the cooperative purchasing program; and

(4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase.

By July 1 of each even-numbered year the commissioner of the pollution control agency and the commissioner of public service shall submit recommendations to the commissioner regarding the operation of the program.

Sec. 2. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 7. [WASTE REDUCTION; PROCUREMENT MODEL.] For the purposes of reducing the amount of solid waste generated by the state and providing a model for other public and private procurement systems, the commissioner, in cooperation with the commissioner of the pollution control agency, shall develop, based on the recommendations in the study in section 7, waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items. The commissioner shall implement the program by January 1, 1992. On implementation of the model procurement system, the commissioner, in cooperation with the commissioner of the pollution control agency, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under section 6, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 8. [RECYCLING BARRIERS.] The commissioner, together with the commissioner of public safety, shall review the barriers that limit recycling systems in buildings and address those barriers to recycling that may exist due to building, safety, and fire codes. By November 1, 1991, the commissioners shall jointly report their findings to the legislative commission on waste management, along

with recommendations for legislative or administrative action to enable a comprehensive recycling system consistent with necessary safety and fire prevention concerns.

Sec. 4. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 9. [RECYCLED MATERIALS; PURCHASING.] The commissioner shall develop and implement a cooperative purchasing program under section 471.59 to include state agencies, local governmental units, and, where feasible, other state governments and the federal government, for the purpose of purchasing recycled materials. By January 1, 1991, the commissioner shall develop a program to promote the cooperative purchasing program to those units of government and other persons.

Sec. 5. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 10. [RECYCLING GOAL.] By January 1, 1992, the commissioner shall recycle or compost at least 25 percent by weight of the solid waste generated by state offices and other operations located in the metropolitan area. The commissioner must keep records of the recycling and composting operation and share them annually with the metropolitan council and counties to assist the council and the counties in their data collection efforts.

Sec. 6. [115A.55] [SOLID WASTE REDUCTION.]

Subdivision 1. [AGENCY COORDINATION.] The agency shall develop and coordinate solid waste reduction programs to include at least public education, promotion of waste reduction, and technical and financial assistance to solid waste generators.

Subd. 2. [EDUCATION; PROMOTION; PROCUREMENT.] The agency shall include waste reduction as an element of its program of public education on waste management required under section 115A.072. The waste reduction education program must include dissemination of information and may include an award program for model waste reduction efforts. Waste reduction educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under section 1, or any other model procurement program that results in significant waste reduction.

Subd. 3. [TECHNICAL ASSISTANCE.] The agency shall provide technical assistance to solid waste generators to enable the waste generators to implement programs or methods to reduce the amount of solid waste generated. The agency may use any means specified in section 115A.52 to provide technical assistance.

Subd. 4. [FINANCIAL ASSISTANCE.] The agency shall make loans and grants to any person for the purpose of developing and implementing projects or practices to prevent or reduce the generation of solid waste including those that involve reuse of items in their original form or procuring, using, or producing products with long useful lives. Grants may be used to fund studies needed to determine the technical and financial feasibility of a waste reduction project or practice or for the cost of implementation of a waste reduction project or practice that the agency has determined is technically and financially feasible.

In making grants or loans, the agency shall give priority to waste reduction or problem materials projects or practices that have broad application in the state and that have the potential for significant reduction of the amount of waste generated; or that are directed toward removing problem materials from the waste stream.

All information developed as a result of a grant or loan shall be made available to other solid waste generators through the public information program established in subdivision 2.

The agency shall adopt rules for the administration of this program. Agency rules must prescribe the level or levels of matching funds required for grants or loans under this subdivision.

Sec. 7. [STUDY; PURCHASE AND USE OF RECYCLED MATERIALS.]

The commissioner of administration shall contract with an outside consultant for a study and evaluation of practices, procedures, and methods to ensure that state contracts and purchasing may be structured to encourage the procurement and use of recycled materials and to meet the requirements of section 1.

By January 1, 1991, the commissioner shall develop a plan and implementation strategy based on the study and shall present it, along with any proposals for legislative action, to the legislative commission on waste management.

ARTICLE 2 RECYCLING

Section 1. [115A.151] [STATE AND LOCAL FACILITIES.]

By July 1, 1990, a state agency or local unit of government, other than a school district, shall:

(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least three recyclable materials; and

(2) transfer all recyclable materials collected at those facilities to a recycler.

Sec. 2. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery, ~~and~~; shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste; and shall describe proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use

of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 3. Minnesota Statutes 1988, section 115A.46, is amended by adding a subdivision to read:

Subd. 4. [DELEGATION; SOLID WASTE RESPONSIBILITIES.] A county or a solid waste management district established under sections 115A.62 to 115A.72 may not delegate to another governmental unit or other person any portion of its responsibility for solid waste management unless it establishes a funding mechanism to assure the ability of the entity to which it delegates responsibility to adequately carry out the responsibility delegated.

Sec. 4. [115A.551] [RECYCLING.]

Subdivision 1. [DEFINITION.] The definitions in this section apply to this section.

(a) "Recycling" means, in addition to the meaning given in section 115A.03, subdivision 25b, yard waste composting and recycling that occurs through mechanical or hand separation of materials that are then delivered for reuse in their original form or for use in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use.

(b) "Total solid waste generation" means the total by weight of:

(1) materials separated for recycling;

(2) materials separated for yard waste composting; and

(3) mixed municipal solid waste plus yard waste, used oil, tires, lead acid batteries, and white goods.

Subd. 2. [COUNTY RECYCLING GOALS.] It is the goal of each county to recycle a minimum of 25 percent by weight of its annual total solid waste generation by July 1, 1993. Each county shall either develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or any other law may be construed to prohibit a county from establishing a higher recycling goal. The Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended, shall have all of the duties, authority, and rights of a county under this section with respect to recycling and total solid waste generation within the district.

Subd. 3. [INTERIM GOALS; NONMETROPOLITAN COUNTIES.] The agency shall establish interim recycling goals for the nonmetropolitan counties to assist them in meeting the 1993 goal.

Subd. 4. [INTERIM MONITORING.] The agency, for the nonmetropolitan counties, and the metropolitan council, for the metropolitan counties, shall monitor the progress of the counties toward meeting the recycling goal in subdivision 2 and shall report to the legislative commission on waste management on the progress of the counties by November 1 of each year. If the agency or the council finds that a county is not progressing toward the goal in subdivision 2, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

Subd. 5. [FAILURE TO MEET GOAL.] If, based on the recycling monitoring described in subdivision 4, the agency or the metropolitan council finds that a county will be unable to meet the recycling goal established in subdivision 2, the agency or council shall, after consideration of the reasons for the county's inability to meet the goal, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the agency or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goal.

Subd. 6. [COUNTY AND DISTRICT SOLID WASTE PLANS.] Each county and the Western Lake Superior Sanitary District shall include in its solid waste management plan described in section 115A.46, or its solid waste master plan described in section 473.803, a plan for implementing the recycling goal established in subdivision 2 along with mechanisms for providing financial incentives to solid waste generators to reduce the amount of waste generated and to separate recyclable materials from the waste stream. The recycling plan must include detailed recycling implementation information to form the basis for the strategy required in subdivision 7.

Each county required to submit its plan to the agency under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Subd. 7. [RECYCLING IMPLEMENTATION STRATEGY.] Within one year of agency approval of the portion of the plan required in subdivision 6, each nonmetropolitan county shall submit for agency approval a local recycling implementation strategy. The local recycling implementation strategy must:

(1) be consistent with the approved county solid waste management plan;

(2) identify the materials that are being and will be recycled in the county to meet the goals under this section and the parties responsible and methods for recycling the material; and

(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling.

Subd. 8. [EMERGENCY RULEMAKING.] The agency may adopt emergency rules implementing subdivision 6 and article 4, section 8.

Sec. 5. [115A.555] [RECYCLING CENTER DESIGNATION.]

The commissioner shall designate recycling centers for the purpose of section 10. To be designated as a recycling center, a recycling facility must be open a minimum of 12 operating hours each week, 12 months each year, and must accept for recycling at least three different materials such as paper, glass, and metal.

Sec. 6. [115A.557] [COUNTY WASTE REDUCTION AND RECYCLING; FUNDING.]

Subdivision 1. [DISTRIBUTION; FORMULA.] Any funds appropriated to the agency for the purpose of distribution to counties under this section must be annually distributed by the agency to eligible counties according to the following formula. Fifty percent must be equally distributed among all eligible counties and 50 percent must be distributed based on each county's proportion of the total state population.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] A county receiving money distributed by the agency under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;
- (4) remove problem materials from the solid waste stream and develop proper disposal options for them;
- (5) inform and educate all sectors of the public about proper solid waste management procedures;

(6) provide technical assistance to public and private entities to ensure proper solid waste management; and

(7) provide educational, technical, and financial assistance for litter prevention.

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the agency under this section, a county shall within one year of the effective date of this section:

(1) create a separate account in its general fund in which to deposit the money;

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2; and

(3) provide evidence to the agency that local revenue equal to 25 percent of the money sought for distribution under this section will be expended for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 4, subdivision 7, or section 473.803, subdivision 1e, and a household hazardous waste management plan under article 4, section 7, by the dates specified in those provisions; and

(2) submit a report by August 1 of each year to the agency detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous fiscal year.

Subd. 4. [REPORT.] By November 1 of each year, the agency shall report on how the money was spent and the resulting statewide improvements in solid waste management to the house and senate appropriations and finance committees and the legislative commission on waste management.

Sec. 7. [115A.945] [VISIBLE SOLID WASTE MANAGEMENT COSTS.]

Any political subdivision that provides or pays for the costs of collection or disposal of solid waste shall, through a billing or other system, make the prorated share of those costs for each solid waste generator visible and obvious to the generator.

Sec. 8. Minnesota Statutes 1988, section 116K.04, is amended by adding a subdivision to read:

Subd. 6. [MODEL ZONING CRITERIA.] The commissioner shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.

Sec. 9. [121.938] [DISTRICTS TO RECYCLE PAPER.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "recycle" has the meaning given it in section 115A.03, subdivision 25b.

Subd. 2. [RECYCLING REQUIRED.] The state board of education shall require all public school districts to recycle paper used by the districts. The board may exempt from its requirement to recycle any district that the board determines will spend more money to recycle paper than will be saved by recycling.

Sec. 10. [173.086] [RECYCLING CENTER SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] A recycling facility that has complied with the permitting rules of the pollution control agency and has been designated a recycling center by the agency under section 5 may erect a recycling center sign upon payment of a fee to the department of transportation or to the local road authority required to cover all costs of fabrication and installation of the signs.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the recycling center sign to specifications not contrary to other federal and state highway sign standards. The sign must contain the international three arrow recycling symbol followed by the words "recycling center."

Subd. 3. [LOCATION.] Each local road authority shall permit recycling center signs to be located on roads, excluding freeways, in its jurisdiction, subject to sign placement and distance requirements of the local authority in conformance with standard policies for placement of signs for other traffic generators.

Sec. 11. Minnesota Statutes 1988, section 400.08, is amended by adding a subdivision to read:

Subd. 5. [VARIABLE RATES; AUTHORITY.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for collection or disposal that vary depending on the volume or weight of waste generated;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Notwithstanding any other law to the contrary, the Western Lake Superior Sanitary District may amend its solid waste management plan to require that the cities contained within the district require variable rates under clauses (1) to (3).

Sec. 12. Minnesota Statutes 1988, section 473.149, subdivision 1, is amended to read:

Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When adopted, the plan shall be followed in the metropolitan area. The plan shall address the state policies and purposes expressed in section 115A.02. The plan shall substantially conform to all policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management, including recycling consistent with section 4 and household hazardous waste management consistent with article 4, section 8, in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions

conducive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with rules adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 13. Minnesota Statutes 1988, section 473.803, subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8; existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The master plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the master plan shall contain criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

Sec. 14. [SAFETY GUIDE.]

The agency, in cooperation with the council, shall prepare and distribute to all interested persons a guide for operation of a recycling or yard waste composting facility to protect the environment and public health.

Sec. 15. [SOLID WASTE COMPOSITION STUDY.]

The agency, in cooperation with the council, shall study and comprehensively analyze the composition of solid waste on a state-wide and regional basis during each of the four seasons of the year. The study must include and not duplicate existing waste composition information previously gathered and must provide information on recyclables and noncombustibles in the waste, generation of the waste, and other solid waste characteristics. The agency and council shall jointly present their findings to the legislative commission on waste management by November 1, 1991.

ARTICLE 3

RECYCLING MARKET DEVELOPMENT

Section 1. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] (a) The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state.

(b) The councils solid waste council shall have not less than nine nor more than 18 21 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The hazardous waste council shall have not less than nine nor more than 18 members. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5.

Sec. 2. Minnesota Statutes 1988, section 115A.48, subdivision 3, is amended to read:

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials and compost through procurement policies and practices. Political subdivisions, educational institutions, and other public agencies shall aggressively pursue procurement practices that encourage solid waste reduction, recycling, and development of markets for recyclable materials and compost and shall, whenever practical, procure products containing recycled materials.

Sec. 3. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 4. [RECYCLING TRANSPORTATION SYSTEM.] The agency shall, in consultation with local government units and other interested persons, develop a cooperative and comprehensive program to enhance existing systems to transport recyclable materials to market. The agency must begin implementation by September 1, 1990.

Sec. 4. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 5. [MARKET DEVELOPMENT PROJECTS.] (a) The agency shall make grants and loans and shall provide technical assistance to persons for research and development or for the acquisition and betterment of projects that develop markets or end uses for recyclable materials. The agency may use any means specified in section 115A.52 to provide technical assistance.

(b) A project may receive a loan for up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A project may receive a grant for up to 25 percent of the capital cost of the project or \$500,000, whichever is less.

(d) The agency shall adopt rules for the program.

Sec. 5. [116J.99] [SOLID WASTE RECYCLING; PRIORITY IN GRANTING ASSISTANCE.]

Whenever practical, the commissioner, in approving grants under this chapter, shall place a priority on those businesses or projects that recycle solid waste, transport recyclable materials, or develop end uses or markets for recyclable materials. For the purposes of this section, the terms "solid waste" and "recyclable materials" have the meanings given them in section 115A.03.

ARTICLE 4

PROBLEM MATERIALS

Section 1. Minnesota statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 24a. [RETURNABLE CONTAINER.] "Returnable container" means a container for distributing pesticides that enables the empty container and unused pesticide product to be returned to the distributor, manufacturer, or packager and facilitates the refilling or reuse of the container. Returnable container includes bulk, minibulk, or dedicated containers designed to protect the integrity of the pesticide and prevent contamination through the introduction of unauthorized materials.

Sec. 2. [18B.141] [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

(a) After July 1, 1994, no person shall distribute, offer for sale, or sell any pesticide product in containers that do not:

(1) accommodate the return of the empty container and any unused portion of the pesticide to the seller, distributor, or registrant; and

(2) facilitate the refilling or reusing of the pesticide container.

(b) After July 1, 1994, a person distributing, offering for sale, or selling any pesticide in returnable containers shall accept from any pesticide end user empty returnable pesticide containers and any unused portion of pesticide that remains in the original container if the pesticide was purchased after July 1, 1994.

(c) Pesticide products packaged solely for household use are exempt from the requirements of this section.

(d) The commissioner may adopt rules to implement this section including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.

Sec. 3. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 24a. [PROBLEM MATERIAL.] "Problem material" means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one of the following results:

(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;

(2) pollution of water as defined in section 115.01, subdivision 5;

(3) air pollution as defined in section 116.06, subdivision 3; or

(4) a significant threat to the safe or efficient operation of a solid waste processing facility.

Sec. 4. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 38. [WHITE GOODS.] "White goods" means major household appliances including household clothes washers and dryers, dishwashers, hot water heaters, garbage disposals, trash compactors, conventional ovens, ranges or stoves, air conditioners, refrigerators, and freezers.

Sec. 5. [115A.952] [RETAIL SALE OF PROBLEM MATERIALS; UNIFORM LABELING AND CONSUMER INFORMATION.]

Subdivision 1. [DUTIES OF AGENCY; RULES.] The agency shall adopt rules to identify products used primarily for personal, family, or household purposes that constitute a problem material or contain a problem material as defined in section 3. The rules must also prescribe a uniform label to be used by retailers of identified products as provided in subdivision 3. The rules must identify products that constitute a problem material or contain a problem material from at least the following categories:

(1) drain cleaners, oven cleaners, and wood and metal cleaners and polishes;

(2) automotive fuel additives, grease and rust solvents, carburetor and fuel injection cleaners, and starter fluids;

- (3) herbicides, insecticides, fungicides, and wood preservatives;
- (4) paint and paint thinners, paint strippers, and adhesives; or
- (5) household batteries, as defined in section 9, and products containing nickel-cadmium batteries.

The agency may adopt rules to identify additional products that meet the criteria provided in this subdivision. Packaging that is recyclable or that is made from recycled material is not a problem material.

Subd. 2. [PREPARATION AND SUPPLY OF MATERIALS.] The agency shall prepare and supply to retailers, without charge to the retailers, the labels and informational materials required to comply with subdivision 3. Informational materials must include specific instructions on environmentally sound ways to use identified products and to handle them when the products or their containers are discarded.

Subd. 3. [DUTIES OF RETAILERS.] A person who sells or offers for sale at retail any product that is identified pursuant to rules of the agency adopted under subdivision 1 shall:

(1) affix a uniform label as prescribed by the rules in a prominent location upon or near the display area of the product. If the adjacent display area is a shelf, the label shall be affixed to the price information for the product on the shelf. The label shall not be directly affixed to any product; and

(2) maintain and prominently display informational materials supplied by the agency at the location where identified products covered by the materials are sold or offered for sale.

Sec. 6. [115A.954] [WHITE GOODS.]

A person may not place white goods in mixed municipal solid waste or dispose of white goods in a solid waste processing or disposal facility after January 1, 1990. The agency may enforce this section pursuant to section 115.071.

Sec. 7. Minnesota Statutes 1988, section 115A.96, subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT PROGRAM.] The agency shall establish a statewide program to manage household hazardous wastes. The program must include:

- (1) the establishment and operation of collection sites; and

(2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

The agency shall report on its progress on establishing permanent collection sites to the legislative commission on waste management by November 1, 1991.

Sec. 8. Minnesota Statutes 1988, section 115A.96, is amended by adding a subdivision to read:

Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] Each county shall include in its solid waste management plan required in section 115A.46 or its solid waste master plan required in section 473.803 a household hazardous waste management plan. The plan must at least:

- (1) include a broad based public education component;
- (2) include a strategy for reduction of household hazardous waste;
and
- (3) address separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal of that waste.

Each county required to submit its plan to the agency under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Each county in the state shall implement its household hazardous waste management plan by December 31, 1991.

Sec. 9. [115A.961] [HOUSEHOLD BATTERIES; COLLECTION, PROCESSING, AND DISPOSAL.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "household batteries" means disposable or rechargeable dry cells commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, alkaline, mercuric oxide, silver oxide, zinc oxide, lithium, and carbon-zinc batteries, but excluding lead acid batteries.

Subd. 2. [PROGRAM.] The agency, in consultation with other state agencies, political subdivisions, and representatives of the household battery industry, shall develop household battery programs.

The agency shall investigate options and develop guidelines for collection, processing, and disposal of household batteries. The options the agency shall investigate include:

(1) establishing a grant program for counties to plan and implement household battery collection, processing, and disposal projects;

(2) establishing collection and transportation systems;

(3) developing and disseminating educational materials regarding environmentally sound battery management; and

(4) developing markets for materials recovered from the batteries.

The agency may also distribute funds to political subdivisions to develop battery management plans and implement those plans.

Subd. 3. [PARTICIPATION.] A political subdivision, on its own or in cooperation with others, may implement a program to collect, process, or dispose of household batteries. A political subdivision may provide financial incentives to any person, including public or private civic groups, to collect the batteries.

Subd. 4. [REPORT.] By November 1, 1990, the agency shall report to the legislative commission on waste management on its activities under this section with recommendations for legislation necessary to address management of household batteries.

Sec. 10. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.] The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit a management plan for the separation of household hazardous waste. The plan must include:

(1) participation in public education activities on household hazardous waste management in the facility's service area;

(2) a strategy for reduction of household hazardous waste entering the facility; and

(3) a plan for the storage and disposal of separated household hazardous waste.

After January 1, 1991, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan.

Sec. 11. Minnesota Statutes 1988, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGE; COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers; and

(2) charge a fee of \$5 per battery sold unless the customer returns a used battery to the retailer; and

(3) post written notice, which must be at least 8½ inches by 11 inches in size and must contain the universal recycling symbol and the following language:

(i) "It is illegal to put a motor vehicle battery in the garbage.";

(ii) "Recycle your used batteries."; and

(iii) "State law requires us to accept motor vehicle batteries for recycling."

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

Sec. 12. [473.804] [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.]

By December 31, 1991, each metropolitan county shall develop and implement a permanent program to manage household hazardous waste. Each program must include at least monthly collection of wastes. Each program must be consistent with the council's policy plan and must be described as part of each county's solid waste master plan revision as required under section 473.803, subdivision 1.

Sec. 13. [MANAGEMENT AND DISPOSAL STUDY.]

The agency shall conduct a study of the proper management and disposal of waste paint; polychlorinated biphenyl capacitors less than or equal to three pounds contained in white goods, as defined in section 4, and in other electrical devices; and household water and automotive filters that collect pollutants or contaminants. The agency shall report its findings together with any recommendations for legislation to the legislative commission on waste management by November 1, 1990.

Sec. 14. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

- (1) collect and recycle empty, triple-rinsed pesticide containers;
- (2) develop, demonstrate, and promote proper pesticide container management; and
- (3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department of agriculture may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department of agriculture shall develop informational and educational materials to promote proper methods of pesticide container management.

Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department of agriculture shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.

Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.

ARTICLE 5

LITTER

Section 1. [115A.99] [LITTER; CIVIL PENALTY.]

Any person who unlawfully places any portion of solid waste in or on public or private lands, shorelands, roadways, or waters is subject to a civil penalty of not less than twice nor more than five times the amount of cost incurred by any governmental agency or political subdivision to remove, process, and dispose of the waste. A governmental agency or political subdivision that incurs cost as described in this section may bring an action to recover the civil penalty, any related legal, administrative, and court costs, and damages for injury to or pollution of the lands, shorelands, roadways, or waters where the waste was placed if owned or managed by the entity bringing the action.

Civil penalties paid under this section must be deposited in the general fund of the jurisdiction enforcing the penalties.

If the property where waste was unlawfully placed was owned by a private person, that person, in order to recover damages for injury to the property, may join any action to recover a civil penalty brought under this section.

Sec. 2. [115A.991] [LITTER; GRANTS.]

The agency may make grants to each county that has included in its solid waste plan required in section 115A.46, or its solid waste master plan required in section 473.803, programs to prevent, control, or abate litter. The agency shall establish eligibility criteria for grants including the required level of matching funds from applicants.

Sec. 3. [116C.36] [LITTER PREVENTION; CONTROL; ABATEMENT.]

Subdivision 1. [DUTIES OF BOARD.] The board shall coordinate state and local efforts to prevent, control, and abate litter through an interagency committee described in subdivision 2. By November 1, 1991, the board shall report to the pollution control agency on the problems of litter prevention, control, and abatement including the advisability of creating a permanent statewide system for state and local programs and coordination to address litter and shall also report its findings, together with its recommendations for legislation to address those problems, to the governor.

Subd. 2. [ADVISORY COMMITTEE.] An advisory committee is created to advise the board on litter prevention, control, and abatement. The advisory committee will include the following officials or their designees: the commissioner of corrections, the commissioner of natural resources, the commissioner of public safety, the commissioner of education, the commissioner of the pollution control agency, the commissioner of transportation, and the commissioner of trade and economic development. The chair of the board shall appoint additional members of the task force to

represent counties, cities, and towns. Not more than two members may be appointed to represent each level of government. The chair may appoint additional members representing other state agencies or political subdivisions other than counties, cities, and towns.

The advisory committee shall coordinate state and local efforts to prevent, control, and abate litter. By June 30, 1990, the advisory committee shall study litter problems in the state and report its findings, together with any proposals for legislation, to the board. The advisory committee expires July 1, 1990.

ARTICLE 6

WASTE EDUCATION

Section 1. Minnesota Statutes 1988, section 115A.072, is amended to read:

115A.072 [PUBLIC EDUCATION ON WASTE MANAGEMENT.]

Subdivision 1. [WASTE EDUCATION; COALITION.] The board shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, and other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

The commissioner shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the agency in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Subd. 2. [AGENCY DUTIES.] In addition to its general duties established in subdivision 1, the agency shall:

- (1) develop a statewide waste management public education

campaign with materials that may be easily adapted by political subdivisions to meet their program needs;

(2) develop and make available to schools educational curricula on waste education for grades kindergarten to 12 to address at least waste reduction, recycling, litter, and proper management and disposal of problem materials as defined in article 4, section 3; and

(3) provide grants to governmental agencies for the purposes of developing and distributing waste education information and may provide grants to any education facility for the other purposes specified in subdivision 3.

Subd. 3. [EDUCATION GRANTS; MODEL SCHOOL PROGRAM.] The agency shall provide grants to school districts, education districts, or ECSU's for the purpose of developing and distributing waste education information to students in kindergarten through grade 12.

The agency shall provide grants and technical assistance to school districts, education districts, or ECSU's to develop and implement a model program to incorporate waste reduction, recycling, litter prevention, and proper management of problem materials into the education curriculum.

The agency shall provide grants or awards to school districts, education districts, or ECSU's to develop or implement ongoing waste reduction, recycling, litter prevention, and proper management of problem materials programs.

Subd. 4. [COORDINATION; UNIVERSITY.] Whenever practical the agency shall request assistance from the University of Minnesota and the university's extension service, and other post-secondary institutions, in developing and distributing waste education materials.

Sec. 2. [WASTE EDUCATION; CURRICULUM.]

The state board of education and the department of education shall include waste education components in the model learner outcomes and essential learner outcomes developed for environmental education under section 126.663, subdivisions 2 and 3.

ARTICLE 7

FUNDING

Section 1. Minnesota Statutes 1988, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1988 1989 payable in 1989 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year. Effective with taxes levied in 1989, the portion of this special levy for income maintenance programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's

levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16; and

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5; and

(k) pay an amount of up to 25 percent of the money sought for distribution and approved under article 2, section 6, subdivision 3, clause (3).

Sec. 2. [115A.922] [SOLID WASTE DISPOSAL FEES.]

Subdivision 1. [STATE RECYCLING FEE.] A state recycling fee is imposed by the state on solid waste accepted by operators of disposal or resource recovery facilities. The fee is \$9 per ton of solid waste or \$4 per ton of processed waste from a resource recovery facility as described in section 115A.03, subdivision 28, accepted by the operator of a landfill or similar disposal facility, and \$1 per ton of mixed municipal solid waste accepted by the operator of a resource recovery facility. Waste residue from recycling facilities that separate or process recyclables and that reduce the volume of the solid waste by at least 85 percent is exempt from the fee. The fee imposed by this section does not apply to recyclable materials as defined in section 115A.03, subdivision 25A.

Subd. 2. [COLLECTION OF FEES.] (a) The fee under subdivision 1 must be collected by an operator of a disposal or resource recovery facility and is in addition to the city or town fee imposed under section 115A.921 and the county fee imposed under section 115A.919.

(b) The operator of a facility for the disposal or resource recovery of solid waste shall collect the fee imposed under subdivision 1. By the 15th day of each month the operator of the disposal or resource recovery facility shall remit the fee collected and report the amount of solid waste collected by the facility during the previous calendar month to the commissioner of revenue.

Subd. 3. [USE OF PROCEEDS.] The fee received by the commissioner of revenue must be deposited in the state treasury and credited as follows: 97 percent to a solid waste reduction and recycling account and three percent to the Minnesota future resources account. No less than 82.5 percent of the amount credited to the solid waste reduction and recycling account under this section must be appropriated annually for distribution to counties under article 2, section 6.

ARTICLE 8 APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The following amounts are appropriated from the solid waste reduction and recycling account to the agencies and for the purposes and fiscal years specified:

	<u>1990</u>	<u>1991</u>
<u>(a) to the pollution control agency</u>		
<u>(1) for solid waste reduction programs under article 1</u>
<u>(2) for solid waste recycling programs under article 2</u>
<u>(3) for market development programs under article 3</u>
<u>(4) for programs to identify and manage problem materials under article 4</u>
<u>(5) for grants for litter prevention, control and abatement under article 5</u>
<u>(6) for public education under article 6</u>
<u>(7) for distribution to the counties for solid waste reduction and recycling under article 2, section 6</u>
<u>(b) to the department of administration for waste reduction, procurement, and recycling under article 1, sections 2 and 4</u>

(c) to the department of agriculture for the pesticide activities under article 4, sections 2 and 14

.....

(d) to the state planning agency for activities related to litter under article 5

.....

Amounts unexpended in one fiscal year are available for expenditure in the other fiscal year."

Delete the title and insert:

"A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.50, subdivision 5; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 121; 173; and 473."

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 654, A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision;

121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 6; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivision 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.71, subdivision 1; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 275.125, subdivisions 5, 5b, 5c, 5e, 8, 8b, 8c, 8e, 11d, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION AID

Section 1. 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 28.4 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 28.4 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~~ sections 124.4945 and 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, 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 recog-

nized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1988, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. [AFDC PUPIL UNITS.] In a district in which the number of pupils from families receiving aid to families with dependent children on October 1 of the previous school last even-numbered year in the last biennium equals six percent or more of the actual pupil units in the district for the same year to be funded, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Information on a pupil, other than summary data, that identifies a pupil as a member of a family receiving aid to families with dependent children is private data under section 13.46, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district, including a district operating a program pursuant to sections 120.59 to 120.67 or 129B.42 to 129B.47, or operating a commissioner-designated area learning center program under section 129B.56, may adjust the annual school schedule for that program throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 1.

Sec. 4. Minnesota Statutes 1988, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [DEFINITION.] For the purposes of sections 124.17, 124A.03, 124A.034, 124A.035, 124A.036, 124A.04, 124A.22,

124A.23, 124A.26, 124A.27, 124A.28, 124A.29, and 124A.31, unless otherwise specified "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined in section 123.33 or "education district board" as defined in section 122.92.

Sec. 5. Minnesota Statutes 1988, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (1) The levy authorized by section 124A.23, subdivision 2, may be increased in any amount that is approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only two elections may be held to approve a levy increase that will commence in a specific school year. The ballot shall state the maximum amount of the increased levy ~~in mills~~ as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

(a) For a school district, "Shall the increase in the levy proposed by (petition to) the board of, School District No. . ., be approved?"

(b) For a qualifying education district, "Shall the increase in the levy by (petition to) the board of, Education 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 shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or (a) for a school district, ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections; (b) for a qualifying education district, the average number of voters at the two most recent school districtwide school elections in all the member school districts. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

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

(5) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 6. [124A.0301] [REFERENDUM EQUALIZATION AID.]

Subdivision 1. [REFERENDUM EQUALIZATION REVENUE.] A district's referendum equalization revenue equals the lesser of (1) the district's certified referendum levy or (2) the product of the district's actual pupil units for that year times the equalizing factor for that year times 1.4 percent.

Subd. 2. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy is equal to the product of the district's referendum equalization revenue times the lesser of one, or the ratio of the district's adjusted gross tax capacity per pupil unit to 60 percent of the equalizing factor.

Subd. 3. [REFERENDUM EQUALIZATION AID.] A district's referendum equalization aid is equal to its referendum equalization revenue minus its referendum equalization levy.

Referendum equalization aid must be reduced by the amount of other referendum equalization aid that is received by the district.

Subd. 4. [REFERENDUM EQUALIZATION AID REDUCTION.] A district must reduce its referendum levy certification amount by

50 percent of the amount of referendum equalization aid it receives for that fiscal year.

Sec. 7. Minnesota Statutes 1988, section 124A.035, subdivision 2, is amended to read:

Subd. 2. [PERMANENT SCHOOL FUND.] The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.

Sec. 8. Minnesota Statutes 1988, section 124A.035, subdivision 4, is amended to read:

Subd. 4. [COUNTY APPORTIONMENT DEDUCTION.] Each year the amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the general education aid earned by that district for the same year.

Sec. 9. [124A.215] [AID FOR REDUCED CLASS SIZE.]

Subdivision 1. [PURPOSE.] The purpose of sections 9 to 11 is to improve the education of public school pupils by (1) reducing class sizes in kindergarten through grade three to help each pupil develop socially and emotionally and in knowledge, skills, and attitudes related to school performance; and (2) improving program offerings throughout a local school district.

Subd. 2. [DEFINITION.] "Teacher" in this section means a public employee licensed by the board of teaching whose duties are full-time classroom instructional or the equivalent, excluding a teacher for which categorical aids are received pursuant to sections 124.273 and 124.32. In this section, teacher does not include supervisory and support personnel, as defined in section 125.03, subdivision 4, librarians, school psychologists, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, or speech therapists. A teacher whose duties are less than full-time classroom instructional must be included as an equivalent only for the number of hours of classroom instruction.

Subd. 3. [STATE AID CRITERIA.] The state shall pay aid as provided in section 10 to districts that work to achieve or maintain a class size of no more than 15 elementary pupils per classroom session in kindergarten and grade one for each teacher in each school within the school district and no more than 17 elementary pupils in grades two and three for each teacher in each school within the school district. A district must reduce the class sizes in kinder-

garten and grade one before it reduces the class sizes in grades two and three unless the district has a compelling reason to reduce the class sizes in kindergarten through grade 3 concurrently. A district must not increase the class sizes in grades two and three in any school in the district as a result of reducing class sizes in kindergarten and grade one. A district must not increase the district wide class size per teacher in grades four through eight as a result of reducing class sizes in kindergarten through grade three.

A district must develop a districtwide plan to work to achieve or maintain the specified class sizes based upon the recommendations of the district's elementary school councils described in section 10. The plan must be approved by the commissioner of education. If a local district has achieved and is maintaining the specified class sizes, it must use the aid it receives under section 10 to work to improve program offerings throughout the district, or the education district of which the district is a member, based upon a plan developed by the local district's curriculum advisory committee. The amount of aid must be allocated to each school in proportion to the ratio of the school's kindergarten through grade 3 population to the district's kindergarten through grade 3 population.

Sec. 10. [124A.216] [AID AMOUNT.]

Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to 2.2 percent times the number of actual pupil units must be reserved and may be used only to achieve or maintain class sizes or improve program offerings according to section 9, subdivision 3.

Sec. 11. [124A.217] [SCHOOL DISTRICT PARTICIPATION.]

Subdivision 1. [ESTABLISHMENT OF COUNCIL; PURPOSE.] An elementary school council in each elementary school is created with the following members: (a) the elementary school principal; (b) representatives of teachers of kindergarten through grade three selected by those teachers at the school; (c) other school personnel serving pupils in kindergarten through grade three selected by those personnel at the school; and (d) parents of pupils in kindergarten through grade three attending the school, selected by the parents. A majority of the members of the council must be parents.

The purpose of the council is to (1) develop a written plan enabling the school to work to achieve or maintain the class sizes specified in section 9, subdivision 3, and to make recommendations for implementing the plan to the school board; and (2) participate in implementing the plan, including overseeing school budget items relating to reductions in class size.

The council shall specify the terms and method of replacement of

the council members and council chair. The council is not permitted to receive expenses or per diem payments.

If an existing committee or council meets the criteria of this subdivision, or if an existing committee or council may be modified to meet the criteria of this subdivision, then that committee or council may be used to accomplish the purpose of this section.

Subd. 2. [COUNCIL AND SCHOOL DISTRICT PLANS.] To be eligible to receive aid under section 10, districts must submit to the commissioner of education a districtwide plan to reduce class sizes based upon the recommendations of the district's elementary school councils. Plans must be submitted by a date specified by the commissioner, in the form and manner prescribed by the commissioner, and must include any other information requested by the commissioner. The commissioner must review and approve or disapprove each district's plan within 45 days of receiving the plan. Any action by the commissioner must conform with widely published criteria for evaluating districts' plans; the criteria must include a definition of "work to achieve or maintain." Only approved plans are eligible for aid under section 10. At the request of a school board and the district's elementary school councils, the commissioner shall provide technical assistance to a district implementing an approved plan.

If a local school district has already achieved and is maintaining the class sizes specified in section 9, subdivision 3, the district must develop a plan in cooperation with the local district's curriculum advisory committee to improve program offerings throughout the district, or throughout the education district of which the district is a member. The commissioner must use the same review procedure to approve or disapprove a district's plan to improve program offerings.

Sec. 12. [124A.218] [REPORT.]

The commissioner of education shall monitor and evaluate the effectiveness of districts' reduced class sizes and efforts to improve program offerings and shall report to the education committees in the legislature before March 1 of each school year.

Sec. 13. Minnesota Statutes 1988, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,755 for the 1988-1989 school year. The formula allowance is ~~\$2,800~~ \$2,838 for fiscal year 1990. The formula allowance is \$2,945 for the 1990-1991 school year.

Sec. 14. Minnesota Statutes 1988, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] The training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) Subtract 1.6 from the training and experience index.

(b) Multiply the result in clause (a) by the product of \$700 times the actual pupil units for the school year.

The training and experience index for each qualifying education district equals the weighted average of the ratios assigned to the full-time equivalent teachers in each qualifying education district.

Sec. 15. Minnesota Statutes 1988, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITIONS FOR SUPPLEMENTAL REVENUE.] (a) The definitions in this subdivision apply only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a school district for the 1987-1988 school year means the sum of the following categories of revenue, and for a qualifying education district means the sum of the following categories of revenue for each member district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(8) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(c) "Minimum allowance" for a district means:

(1) the school district's or qualifying education district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) \$105 \$143 for the 1989-1990 school year and \$250 for the 1990-1991 school year.

Sec. 16. Minnesota Statutes 1988, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted gross tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate for the 1990 fiscal year shall be the rate that raises \$1,100,580,000. The general education tax capacity rate for the 1991 fiscal year is the rate that raises \$1,149,000,000. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Sec. 17. Minnesota Statutes 1988, section 124A.28, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 124A.22, subdivision 3, may be used to meet the educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their

age. These needs may be met by providing at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instructional material for these pupils including: textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, increase individual parental involvement in the educational development of their children, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Sec. 18. Minnesota Statutes 1988, section 124A.31, is amended to read:

124A.31 [EQUITABLE COMPENSATION PENALTY.]

Subdivision 1. [IMPLEMENTATION.] A school district subject to sections 471.991 to 471.999 shall implement the plan to establish equitable compensation relationships set forth in its report to the commissioner of employee relations. The plan shall be implemented by December 31, 1991, unless a later date is approved by the commissioner. If a report was filed before October 1, 1987, and had

an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner.

Subd. 2. [AID REDUCTION FOR ADMINISTRATION COSTS.] By October 1, 1992, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied with subdivision 1. For each of these school districts, the commissioner of education shall reduce general education aid for fiscal year 1993 by an amount equal to five percent of the district's administration costs for the 1990-1991 school year. If the reduction exceeds the district's general education aid, the reduction shall be made from other aids paid to the district.

Subd. 3. [ADJUSTMENT OF YEARS.] The commissioners of employee relations and education shall adjust the years designated in subdivision 2 for school districts with implementation dates after December 31, 1991.

Subd. 4. [EXTENSIONS.] The commissioner of employee relations must extend an implementation date upon a finding that failure to implement was attributable to severe hardship or to circumstances beyond the control of the district.

Sec. 19. [INSTRUCTIONS TO THE DEPARTMENT OF EDUCATION FOR 1989 LEVY LIMITS.]

Notwithstanding sections 13 and 15, or any other law to the contrary, the department shall determine for the 1989-1990 school year only, levies under Minnesota Statutes, chapter 124A as they were authorized before the enactment of this article.

Sec. 20. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

\$1,211,251,000 1990

\$1,305,438,000 1991

The 1990 appropriation includes \$174,824,000 for 1989 and \$1,036,427,000 for 1990.

The 1991 appropriation includes \$177,824,000 for 1990 and \$1,127,614,000 for 1991.

Subd. 3. [REFERENDUM EQUALIZATION AID.] For referendum equalization aid:

\$17,681,000 1991

The 1991 appropriation includes \$0 for 1990 and \$17,681,000 for 1991.

The 1991 appropriation is based on a formula entitlement of \$20,801,000.

Sec. 21. [EFFECTIVE DATE.]

Sections 6, 9, 10, and 11 are effective for the 1990-1991 school year.

The addition of the cooperative secondary facilities severance levy is added to the list of nonshifted levies effective the day following final enactment.

Sec. 22. [REPEALER.]

Minnesota Statutes 1988 sections 124.217, and 275.125, subdivision 6f, are repealed July 1, 1989.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1988, section 123.39, is amended by adding a subdivision to read:

Subd. 14. The board may provide transportation within the district to pupils who are custodial parents and to their children between the pupils' homes and the provider of child care services for the pupils' children.

Sec. 2. Minnesota Statutes 1988, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) Transportation of board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transpor-

tation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of pupils who are custodial parents to and from the provider of child care services for the pupil's child, within the attendance area of the school the pupil attends; transportation, within the attendance area of the school they attend, of pupils who are custodial parents, between the pupils' homes and the provider of child care services for the pupils' children.

For the purposes of this clause, a district may designate a licensed day care facility, a location where ongoing day care is provided to children of a single family, or the residence of a relative as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends;

(b) Transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year.

The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(2) the pupil withdrawal rate for the last year is more than 12 percent.

A pupil withdrawal rate is determined by dividing (i) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by (ii) the number of pupils enrolled in the school.

The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

(c) Notwithstanding clauses (a) and (b), beginning July 1, 1990,

state transportation aid is not authorized for noon transportation to and from school for kindergarten pupils attending half-day sessions.

(2) [OUTSIDE DISTRICT.] Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by section 120.17, subdivision 9, for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE ACADEMIES.] Transportation for residents to and from the Minnesota state academy for the deaf or the Minnesota state academy for the blind;

(8) [SUMMER INSTRUCTIONAL PROGRAMS.] Services described in clauses (1) to (7), (9), and (10) when provided in conjunc-

tion with a summer program that meets the requirements of section 124A.27, subdivision 9;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes or secondary vocational classes not provided at a secondary vocational center for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 3. Minnesota Statutes 1988, section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.]

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

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

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

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

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 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 deter-

mined by the department of education, and adjusted pursuant to subdivision 7a.

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

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

(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 in fiscal year 1990 only; 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);

(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; and

(4) desegregation transportation is transportation of pupils to and from schools located outside their normal attendance areas under a

plan for desegregation mandated by the state board or under court order.

(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 and 1987-1988 base year and after years~~ 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 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,

(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.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in clause (b) plus the actual cost in the base year for excess transportation as defined in clause (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(j) (k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

"Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3b.

(l) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one or of the result of the following computation:

(i) divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(ii) raise the result in clause (i) to the one-fifth power;

(iii) divide four-tenths by the result in clause (ii).

The pupil weighting factor for the regular transportation category is one.

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

(n) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(o) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(p) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(i) multiply the district's sparsity index by 20;

(ii) select the greater of one or the result in clause (i);

(iii) multiply the district's percentage of regular FTE's transported using vehicles that are not owned by the school district by the result in clause (ii).

(q) "Adjusted predicted base cost" for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(r) "Regular transportation allowance" for 1990-1991 and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(s) "Minimum regular transportation allowance" for 1990-1991 and after means the result of the following computation:

(i) compute the sum of the district's basic transportation aid for the 1989-1990 school year according to subdivision 8a and the district's excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5e, clause (a);

(ii) divide the result in clause (i) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the 1989-1990 school year;

(iii) select the lesser of the result in clause (ii) or the district's base cost for the 1989-1990 base year according to subdivision 1, clause (b)(1).

(t) "School district" means either school district, as defined in section 120.02, subdivision 1, or qualifying education district as defined in section 122.91, subdivision 2a. Where base year data for formula computations are required that do not exist for education districts, the department of education shall compute the necessary figures using data from member districts.

Subd. 3. [FORMULA.] For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4b for each school year the 1986-1987 and 1987-1988 base years to predict the base cost for each district. Each year The department shall use a formula shall be derived based upon the regression analysis, and shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base

cost for the 1988-1989 base year and later years equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$406 for the 1988-1989 base year.

(b) Multiply the result in clause (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in clause (b) by the district's contract transportation index raised to the 1/20 power.

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 and 1987-1988 base year and thereafter, years 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,

(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.

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] Each district's predicted base cost determined for each school year the 1986-1987 and 1987-1988 base years according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

(a) If the base cost of the district is within 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.

(d) For the 1988-1989 base year and later years, each district's predicted base cost determined according to subdivision 3a must be adjusted as provided in this subdivision to determine the district's adjusted predicted base cost for that year. The adjusted predicted base cost equals 50 percent of the district's base cost plus 50 percent of the district's predicted base cost, but the adjusted predicted base cost cannot be less than 80 percent, nor more than 110 percent, of the base cost.

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by ~~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 for the 1988-1989 school year, and~~

by 6.4 percent to determine the district's aid entitlement per FTE for the 1989-1990 school year. The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by 6.3 percent to determine the district's regular transportation allowance for the 1990-1991 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to subdivision 1, clause (r).

Subd. 7c. [TRANSPORTATION REVENUE.] Beginning in the 1990-1991 school year, the transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular and desegregation categories in the current school year.

(b) The nonregular transportation revenue for each district equals the district's actual cost in the current school year for nonregular transportation services, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation category in the current school year.

Subd. 8a. [TRANSPORTATION AID.] (a) For the 1988-1989 school year and thereafter 1989-1990 school years, a district's transportation aid is equal to the sum of its basic transportation aid 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 1990-1991 and later school years, a district's transportation aid equals the product of:

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

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

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

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

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

(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.

Subd. 8b. [BASIC AID COMPUTATION.] A district's basic transportation aid pursuant to this section for each school year the 1988-1989 and 1989-1990 school years shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the total number of authorized FTE's transported in the regular category in the district in the ~~current~~ school year.

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 and 1989-1990 school year and thereafter years, 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.

Subd. 8j. [NONREGULAR TRANSPORTATION LEVY EQUALIZATION AID.] For the 1984-1985 school year and each year thereafter 1988-1989 and 1989-1990 school years, 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~~ school year for nonregular transportation services, minus the district's nonregular transportation aid computed pursuant to subdivision 8i.

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

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

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) For the 1984-1985 school year and each year thereafter, each district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) For the 1988-1989 and 1989-1990 school years, 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.

(c) For 1990-1991 and later school years, the department of education shall determine the subtraction by computing the district's regular transportation revenue under two circumstances, once including the factor specified in subdivision 3a, clause (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.

Subd. 8l. [ALTERNATIVE ATTENDANCE PROGRAMS.] A district that serves 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 district according to this section. The district of the pupil's residence need not provide or pay for transportation between the pupil's residence and the district's border.

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

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the

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 (b)(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 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.

Sec. 4. Minnesota Statutes 1988, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax capacity rate times the adjusted gross tax capacity of the district for the preceding year. The commissioner of revenue shall establish the basic transportation tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The basic transportation tax capacity rate shall be a rate, rounded up to the nearest hundredth of a mill percent, that, when applied to the adjusted gross tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax capacity rate for transportation for the 1990 fiscal year shall be the rate that raises \$72,681,200. The basic transportation tax capacity rate for the 1991 fiscal year is the rate that raises \$82,063,200. The basic transportation tax capacity rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

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

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] (a) In ~~any~~ the 1989 and 1990 fiscal year years, if the basic transportation levy under subdivision 5 in a district attributable to a ~~particular~~ the fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each next 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.

(b) For 1991 and later fiscal years, in a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7c, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, the district's transportation levy in the next fiscal year must be reduced by the amount of the excess.

Sec. 6. 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:~~

~~(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 \$83,800. be the result of the following computation:~~

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7c that is more than the product of \$30 times the district's actual pupil units, by

(2) 60 percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;

(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted gross tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to (ii) \$9,722.

Sec. 7. 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 lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) base cost computed using data for the current school fiscal year according to section 124.225, subdivision 1, paragraph (i) to which the levy is attributable, 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 weighted 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 fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic hazards.

(c) Add to the result in paragraph (b) the actual cost in the fiscal year to which the levy is attributable of noon transportation to and from school for kindergarten pupils attending half-day sessions.

Sec. 8. Minnesota Statutes 1988, section 275.125, is amended by adding a subdivision to read:

Subd. 5h. [TRANSPORTATION LEVY; QUALIFYING EDUCATION DISTRICT.] For the purposes of subdivisions 5, 5b, 5c, 5e, 5f,

and 5g of this section, "school district" means either school district as defined in section 120.02, subdivision 1, or qualifying education district as defined in section 122.91, subdivision 2a. Where base year data for formula computations are required that do not exist for education districts, the department of education shall compute the necessary figures using data from member districts.

Sec. 9. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid:

\$92,758,000 1990

\$95,811,000 1991

The 1990 appropriation includes \$12,773,000 for 1989 and \$79,985,000 for 1990.

The 1991 appropriation includes \$14,115,000 for 1990 and \$81,696,000 for 1991.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514, subdivision 8:

\$50,000 1990

\$50,000 1991

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.] For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621, subdivision 9, or section 123.3515, subdivision 6:

\$50,000 1990

\$50,000 1991

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1988, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. ~~Until June 30, 1988, a developmental achievement center under contract to a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. Until June 30, 1988, the licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district. The state board shall adopt rules to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria.~~ The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1988, section 120.17, subdivision 3b, is amended to read:

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

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

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

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

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

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

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

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

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

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party

shall provide the other party with a brief written statement of the objection and the reasons for the objection.

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

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

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be

appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides responsible for assuring that an appropriate program is provided in accordance with state board rules.

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

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

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

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

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

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

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

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

(5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or

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

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

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

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

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

Sec. 3. Minnesota Statutes 1988, section 120.17, is amended by adding a subdivision to read:

Subd. 3d. [INTERVENTIONS BEFORE REFERRAL.] A district must document two instructional strategies, alternatives, or interventions while a pupil is in the regular classroom before referring the pupil for a special education assessment. The multidisciplinary assessment team may waive this requirement for a student in crisis. This requirement must not be used to deny or delay a pupil's right to a special education assessment.

Sec. 4. Minnesota Statutes 1988, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary, calculated from the date of hire, of one full-time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary, calculated from the date of hire, of one-half of a full-time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of 61 percent of the salary or \$17,000. The portion for a part-time or limited-time teacher shall be the lesser of 61 percent of the salary or

the product of \$17,000 times the ratio of the person's actual employment to full-time employment.

Sec. 5. Minnesota Statutes 1988, section 124.273, subdivision 4, is amended to read:

Subd. 4. [APPLICATION DATES.] (a) A district that expects to enroll pupils in educational programs for pupils of limited English proficiency during the next fiscal year shall submit an initial application for aid by ~~October 15 and June 1~~. The district shall submit an amended application by ~~February~~ November 15 or and by ~~June~~ February 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. ~~Districts which do~~ A district that does not submit an initial application by ~~October 15~~ June 1 but ~~enroll~~ enrolls pupils of limited English proficiency after that date ~~may need not wait until November 15 or February 15~~ to submit an initial application by February 15 or by June 15. A final report for the last fiscal year with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment.

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

Sec. 6. Minnesota Statutes 1988, section 124.273, subdivision 5, is amended to read:

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a ~~month~~ 45 days after the application deadline.

Sec. 7. Minnesota Statutes 1988, section 124.273, subdivision 7, is amended to read:

Subd. 7. [MONEY FROM OTHER SOURCES.] A school district providing a program for pupils of limited English proficiency shall be eligible to receive moneys for these programs from other government agencies and from private sources when these moneys are available.

Sec. 8. Minnesota Statutes 1988, section 124.273, is amended by adding a subdivision to read:

Subd. 8. [DEFINITION.] In this section, unless otherwise specified, "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined in section 123.33 or "education district board" as defined in section 122.92.

Sec. 9. Minnesota Statutes 1988, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS' SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be an amount not to exceed the lesser of 66 60 percent of the salary or \$18,400 \$16,727. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 66 60 percent of the salary or the product of \$18,400 \$16,727 times the ratio of the person's actual employment to full-time employment.

Sec. 10. Minnesota Statutes 1988, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] For special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts or qualifying education districts, the state shall pay each district 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the amount of time the pupil receives services under the contract.

Sec. 11. Minnesota Statutes 1988, section 124.32, is amended by adding a subdivision to read:

Subd. 1f. [DEFINITION.] In this section, unless otherwise specified, "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined under section 123.33 or "education district board" as defined under section 122.92.

Sec. 12. Minnesota Statutes 1988, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] For 1988-1989 1989-1990 and later school years, a district's or cooperative center's

"secondary vocational aid" for secondary vocational education programs for a school year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or cooperative center's approved secondary vocational education programs program, and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in secondary vocational courses that program; and

(b) 30 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 13. Minnesota Statutes 1988, section 124.573, is amended by adding a subdivision to read:

Subd. 2d. [ADMINISTRATION.] In making the computation in subdivision 2b, paragraph (a), clause (1), the salaries of the administrator and support service facilitator must be apportioned among programs based on the number of full-time-equivalent instructors in each program.

Sec. 14. Minnesota Statutes 1988, section 124.573, is amended by adding a subdivision to read:

Subd. 5a. [DISTRICT REPORTS.] Each district or cooperative center shall report data to the department for all secondary voca-

tional education programs as required by the department to implement the secondary vocational aid formula.

Sec. 15. Minnesota Statutes 1988, section 124.574, subdivision 1, is amended to read:

Subdivision 1. The purpose of this section is to provide a method to fund programs for secondary vocational education for handicapped children. As used in this section, the term "handicapped children" shall have the meaning ascribed to it in section 120.03.

For the purposes of this section, unless otherwise specified, "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined under section 123.33 or "education district board" as defined under section 122.92.

Sec. 16. Minnesota Statutes 1988, section 124.574, subdivision 4, is amended to read:

Subd. 4. [AID FOR CONTRACTED SERVICES.] In addition to the provisions of subdivisions 2b and 3, a school district may contract with a public or private agency other than a Minnesota school district, qualifying education district, or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts shall be that provided in section 124.32, subdivision 1b 1d. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6, the district or cooperative center contracting for these services shall be construed to be providing these services.

Sec. 17. Minnesota Statutes 1988, section 124.574, subdivision 5, is amended to read:

Subd. 5. The aid provided pursuant to this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in secondary vocational education programs for handicapped children which are approved by the commissioner of education and operated in accordance with rules promulgated by the state board. These rules shall be subject to the restrictions provided in section 124.573, subdivision 3. The procedure for application for approval of these programs shall be as provided in section 124.32, subdivisions 7 and 10 and the application review process shall be conducted jointly by the ~~division of special and compensatory education and the division of vocational technical education~~ section of the state department.

Sec. 18. [124.85] [STATE REVENUE FOR AMERICAN INDIAN SCHOOLS.]

Subdivision 1. [AUTHORIZATION.] Each year each American Indian-controlled contract school authorized by the United States Code, title 25, section 450f that is located on a reservation within the state is eligible to receive tribal contract school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of chapters 120, 121, 122, 123, 124, 124A, 125, 126, 129, 129A, and 129B.

(b) The school must comply with all other state statutes governing independent school districts.

(c) The state tribal contract school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

Subd. 2. [REVENUE AMOUNT.] For 1989-1990 and later school years, an American Indian-controlled contract school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the actual pupil units as defined in section 124A.02, subdivision 19, in attendance during the fall count week, but not including pupil units for which the school has received reimbursement under sections 123.933 and 126.23 for the school for the current school year;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39, 11, b but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units; and

(4) multiplying the actual pupil units by the lesser of \$1,500 or the result in clause (3).

Subd. 3. [LAW WAIVER.] Notwithstanding subdivision 1, paragraphs (a) and (b), a contract school:

(1) is not subject to the Minnesota election law;

(2) has no authority under this section to levy for property taxes, issue and sell bonds, or incur debt; and

(3) may request through its managing tribal organization a recommendation of the state board of education, for consideration of the legislature, that a contract school not be subject to specified statutes related to independent school districts.

Sec. 19. Minnesota Statutes 1988, section 126.151, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] The state boards of education and vocational technical education may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary or secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 20. Minnesota Statutes 1988, section 275.125, subdivision 8c, is amended to read:

Subd. 8c. [SPECIAL EDUCATION LEVY.] (a) Each year, a school district, excluding an intermediate school district Nos. 287, 916, and 917, and any qualifying education district, may levy an amount that may not exceed 66 percent of salaries paid to essential personnel in that school district, intermediate district, or qualifying education district minus the amount of state aid and any federal aid, if applicable, paid to that school district, intermediate district, or qualifying education district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that school district, intermediate district, or qualifying education district minus the amount of state aid and any federal aid, if applicable, paid to that school district, intermediate district, or qualifying education district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to 66 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the participating school districts or qualifying education districts of the cooperative or the intermediate district. The participating school districts or qualifying education districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among participating school districts or qualifying education districts, for purposes of the participating school districts or qualifying education districts making a levy under this subdivision, shall provide information to the department of education on the amount of unreimbursed costs of salaries they allocated to the participating school districts or qualifying education districts.

(c) An intermediate district or qualifying education district shall allocate an amount equal to 66 percent of salaries paid to essential personnel in that intermediate district or qualifying education district minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or qualifying education district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or qualifying education district minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or qualifying education district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the participating school districts that are not members of the intermediate district or qualifying education district. The participating nonmember school districts may make a levy in the amount of the costs allocated to them by the intermediate district or qualifying education district.

Intermediate districts and qualifying education districts that allocate unreimbursed portions of salaries of special education essential personnel among participating nonmember school districts, for the purposes of the participating nonmember school districts making a levy under this subdivision, shall provide information to the department of education on the amount of unreim-

bursed costs of salaries they allocated to the participating nonmember districts.

A qualifying education district or intermediate district and a member school district must not levy for the same costs under this subdivision.

The department of education may require information from a school district, qualifying education district, or intermediate district to verify that a qualifying education district and a member school district or intermediate district and participating school district do not levy for the same costs under this subdivision.

Sec. 21. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1989 levy for each school district by the amount of the increase in the district's special education levy for fiscal year 1990 according to Minnesota Statutes, section 275.125, subdivision 8c, resulting from the changes in the special education aid formula under section 9. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1990.

Sec. 22. [HANDICAPPED CHILDREN UNDER AGE 5; REPORT.]

The department of education and the association of Minnesota counties shall jointly prepare a report describing the responsibilities of county boards and school districts to provide services for handicapped children under age five and their families.

The report shall include at least the following:

(1) a description of current procedures used to determine county and school district responsibilities;

(2) a summary of problems of the current delivery system;

(3) recommendations for improving the efficiency and quality of services; and

(4) recommendations for funding services.

Sec. 23. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid:

\$160,331,000 1990

\$165,870,000 1991

The 1990 appropriation includes \$23,074,000 for 1989 and \$137,257,000 for 1990.

The 1991 appropriation includes \$24,222,000 for 1990 and \$141,648,000 for 1991.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid under Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$284,000 1990

\$158,000 1991

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education aid for summer school programs:

\$5,836,000 1990

\$5,766,000 1991

The 1990 appropriation is for 1989 summer school programs.

The 1991 appropriation is for 1990 summer school programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services for handicapped children under age five and their families.

\$51,000 1990

\$51,000 1991

The 1990 appropriation includes \$8,000 for 1989 and \$43,000 for 1990.

The 1991 appropriation includes \$8,000 for 1990 and \$43,000 for 1991.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For aid under Minnesota Statutes, section 124.32, subdivision 5:

\$1,398,000 1990

\$1,374,000 1991

Subd. 7. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$3,270,000 1990

\$3,374,000 1991

The 1990 appropriation includes \$454,000 for 1989 and \$2,816,000 for 1990.

The 1991 appropriation includes \$497,000 for 1990 and \$2,877,000 for 1991.

Subd. 8. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships under Minnesota Statutes, section 124.48:

\$1,582,000 1990

\$1,582,000 1991

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1991.

Subd. 9. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1990

\$857,000 1991

Subd. 10. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$590,000 1990

\$590,000 1991

The 1990 appropriation includes \$89,000 for 1989 and \$501,000 for 1990.

The 1991 appropriation includes \$89,000 for 1990 and \$501,000 for 1991.

Subd. 11. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts there is appropriated:

\$176,000 1990

\$176,000 1991

The 1990 appropriation includes \$27,000 for 1989 and \$149,000 for 1990.

The 1991 appropriation includes \$27,000 for 1990 and \$149,000 for 1991.

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

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

Up to the following amounts may be distributed to the following school districts for each fiscal year: \$54,800 to independent school district No. 309, Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts shall be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

These appropriations are available only if operation support funds from the federal Bureau of Indian Affairs under the Johnson-O'Malley Act, Public Law Number 73-167, or Code of Federal Regulations, title 25, section 273.31, or equivalent money from the same or another source are not available for the districts enumerated in this subdivision for the applicable school year.

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

(1) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For

each school year, compliance with Minnesota Statutes, section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district under this subdivision and one budget that does not include the available amount. The budget of that school district for the 1989-1990 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1988-1989 budgets and shall not include money appropriated in this subdivision;

(2) conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, section 120.03 and 120.17; Public Law Number 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(3) compiled accurate daily pupil attendance records.

Before approving payment of any amount to a school district under this subdivision, the commissioner shall review and evaluate each affected district's compliance with clauses (1), (2), and (3), and any other applicable laws, and each affected district's need for the money. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 12. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573:

\$11,471,000 1990

\$11,720,000 1991

The 1990 appropriation includes \$1,525,000 for 1989 and \$9,946,000 for 1990.

The 1991 appropriation includes \$1,755,000 for 1990 and \$9,965,000 for 1991.

Subd. 13. [SECONDARY VOCATIONAL HANDICAPPED.] For aid for secondary vocational education for handicapped pupils according to Minnesota Statutes, section 124.574:

\$5,735,000 1990

\$6,745,000 1991

The 1990 appropriation includes \$645,000 for 1989 and \$5,090,000 for 1990.

The 1991 appropriation includes \$899,000 for 1990 and \$5,846,000 for 1991.

Subd. 14. [TRIBAL CONTRACT SCHOOLS.]

For tribal contract school aid:

\$200,000 1990

\$200,000 1991

Sec. 24. [APPROPRIATION.]

Subdivision 1. [STATE BOARD OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the state board of education for the fiscal years designated.

Subd. 2. [GRANTS FOR INDIAN TEACHERS.] For grants to assist Indian people to become teachers and to provide additional education for American Indian teachers:

\$71,000 1990

\$71,000 1991

The state board may award joint grants for a cooperative program to:

(a) the University of Minnesota, Duluth, and independent school district No. 709, Duluth;

(b) Bemidji State University and independent school district No. 38, Red Lake; and

(c) Moorhead State University and the White Earth Tribal Council.

To obtain the joint grant, a joint application must be submitted to the state board of education. The application must be developed with the participation of the district parent advisory committee established according to Minnesota Statutes, section 126.51.

The application must set forth (a) the in-kind services to be provided by the University of Minnesota, Duluth; Bemidji State University or Moorhead State University; (b) the coordination and mentorship services to be provided by these grants; and (c) recom-

mended criteria for selecting individual scholarship recipients and criteria for scholarship amounts, that may include tuition, fees, books, and living expenses for ten months. The part of the scholarship attributable to living expenses may be in the form of a loan to be forgiven if the recipient teaches in independent school district No. 709, Duluth, independent school district No. 38, Red Lake, or a school operated by the White Earth Tribal Council, for five years. If, however, the recipient is placed on unrequested leave of absence by independent school district No. 709, Duluth, independent school district No. 38, Red Lake, or a school operated by the White Earth Tribal Council, the loan may be forgiven if the recipient teaches in another Minnesota school district for an amount of time that, when added to the amount of time taught in Duluth, Red Lake, or at a school operated by the White Earth Tribal Council, equals five years. The loan forgiveness program must be developed in consultation with the higher education coordinating board.

Only the following American Indian people may receive scholarships:

(1) students entering the University of Minnesota, Duluth, Bemidji State University, or Moorhead State University, who intend to become teachers in Minnesota;

(2) teacher aides who are employees of independent school district No. 709, Duluth, independent school district No. 38, Red Lake, or a school operated by the White Earth Tribal Council, and who intend to obtain a teaching license; and

(3) licensed employees of independent school district No. 709, independent school district No. 38, Red Lake, or a school operated by the White Earth Tribal Council, who begin a master of education program.

The joint application must be submitted to the Minnesota Indian scholarship committee for review and comment.

The state board may award a joint grant in the amount it determines appropriate. Scholarship money must be included in the amount of the joint grant.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1988, section 121.88, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] Each board shall provide for an

advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Sec. 2. Minnesota Statutes 1988, section 121.88, subdivision 5, is amended to read:

Subd. 5. [SUMMER PROGRAMS.] Notwithstanding any law to the contrary, during the summer a school district may offer community education programs to elementary and secondary pupils. The district may use community education revenue received pursuant to sections 124.271 and 275.125, subdivision 8 and charge fees for the cost of the programs.

Sec. 3. Minnesota Statutes 1988, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

~~(6)~~ (7) information on related community resources; or

~~(7)~~ (8) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The

programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 4. Minnesota Statutes 1988, section 121.882, subdivision 4, is amended to read:

Subd. 4. [PARTICIPANTS' FEES.] ~~A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay. The commissioner of education shall adopt rules by January 1, 1990, to determine the responsibility of parents or guardians to pay for ECFE programs. The rules shall include a waiver of fees for participants unable to pay. The amount of the payment must not be more than the amount of the program cost.~~

Sec. 5. 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 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. Each year a permanent transfer must be made from the general fund to the community service fund to reimburse the community service fund for TRA and FICA expenditures made for community education activities. The amount to be transferred is the lesser of the amount received by the district in the community education fund in fiscal year 1987-1988 from the teacher retirement revenue, or the amount needed to meet the district TRA and FICA obligations in the current year, as described in Laws 1986, First Special Session chapter 1, article 9, section 5.

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 authorized pursuant to sections 124.243 and 124.244, 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 any other operating fund or to the reserved fund balance account for bus purchases in its transportation fund.

Sec. 6. Minnesota Statutes 1988, section 123.702, subdivision 1, is amended to read:

123.702 [SCHOOL BOARD RESPONSIBILITIES.]

Subdivision 1. Every school board shall provide for a voluntary program of early childhood health and developmental screening for children once before entering kindergarten. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. No school board may make this screening examination a mandatory prerequisite to enroll a student. The school districts are encouraged to reduce the costs of preschool health screening programs by utilizing volunteers in implementing the program.

Sec. 7. Minnesota Statutes 1988, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. [COMPONENTS.] A screening program shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, review of health history and immunization status, and assessments of height and weight. All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component. No screening program shall provide laboratory tests, a health history or a physical ~~examination~~ exam to any child who has been provided with those laboratory tests or a health history or physical ~~examination~~ exam within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical ~~examination~~ exam within the 12 months preceding a scheduled screening clinic. A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, and laboratory tests. State aid shall not be paid for additional components.

Sec. 8. Minnesota Statutes 1988, section 123.702, is amended by adding a subdivision to read:

Subd. 1b. [EXPANDED EARLY CHILDHOOD SCREENING.] Beginning in the 1989-1990 school year, districts must begin a process to make screening readily available to all three year old children, targeting those at-risk and unlikely to be served by other programs. After July 1, 1993, a district shall make available voluntary health and developmental screening to all three year old

children in the district. Districts shall collaborate with public and private community-based resources to deliver and finance early childhood screening.

Sec. 9. Minnesota Statutes 1988, section 123.702, is amended by adding a subdivision to read:

Subd. 1c. [EARLY CHILDHOOD SCREENING COMPONENTS.]
After July 1, 1993, early childhood screening must include:

- (1) developmental screening;
- (2) vision and hearing tests;
- (3) a height and weight assessment;
- (4) immunization and an immunization review;
- (5) a review of the child's health and family history;
- (6) identification of additional risk factors that may inhibit learning;
- (7) a review of screening results with the child's parent or guardian;
- (8) referral for assessment as needed;
- (9) referral to appropriate programs;
- (10) a nutrition assessment;
- (11) a physical exam;
- (12) laboratory tests;
- (13) an oral inspection and dental referral; and
- (14) any other component listed under medical assistance rules in Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748.

Sec. 10. Minnesota Statutes 1988, section 123.702, subdivision 2, is amended to read:

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, the child's parents shall be notified of the condition and the school board shall ensure that an appropriate follow-up and referral process is available, in accordance with

procedures established pursuant to under section 123.703, subdivision 1.

Sec. 11. Minnesota Statutes 1988, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall actively encourage participation in the screening program. As a precondition for receiving aid under section 123.705, subdivision 3, the board shall establish an advisory group of representatives of early childhood family education, head start, early special education, the local interagency early learning committee, local public health agencies, social service agencies, and other agencies that provide services to children.

If an existing committee or council meets the criteria of this subdivision, or if an existing committee or council may be modified to meet the criteria of this subdivision, then that committee or council may be used to accomplish the purpose of this section.

Sec. 12. Minnesota Statutes 1988, section 123.702, subdivision 4, is amended to read:

Subd. 4. Every school board shall contract with or purchase service from an approved early and periodic screening program in the area provider or other provider wherever possible.

Sec. 13. Minnesota Statutes 1988, section 123.702, is amended by adding a subdivision to read:

Subd. 5a. [VOLUNTEERS.] After July 1, 1993, volunteers may assist with the screening components in this subdivision that are permitted in Minnesota Rules, parts 3530.3000 to 3530.4300, except that the only volunteers authorized to perform the developmental screening are those who hold the necessary credentials.

Sec. 14. Minnesota Statutes 1988, section 123.703, is amended by adding a subdivision to read:

Subd. 4. [GUIDELINES.] The commissioner of education shall establish guidelines that set a minimum number or percentage of three year old children for whom screening will be readily available.

Sec. 15. Minnesota Statutes 1988, section 123.703, is amended by adding a subdivision to read:

Subd. 5. [STATE AGENCY COOPERATION.] The commissioner of education shall consult regularly with the commissioners of human services, health, and jobs and training to ensure maximum participation in the screening programs and in follow-up services. The commissioner of education and the commissioner of human

services shall work together to reach and screen children eligible to receive benefits under the children's health plan, medical assistance, or other state insurance plan, subject to the data practices provisions in section 13.46, subdivision 2.

Sec. 16. 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 over the age of three who is screened.

Sec. 17. Minnesota Statutes 1988, section 123.705, is amended by adding a subdivision to read:

Subd. 3. [AID FOR THREE YEAR OLD CHILDREN.] Beginning January 1, 1990, a district is eligible to receive aid under this section provided that it:

- (1) meets the criteria under section 123.702, subdivision 1c;
- (2) meets or exceeds the commissioner's guidelines under section 123.703, subdivision 4;
- (3) is in compliance with rules for the early periodic screening, diagnosis, and treatment program in Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748;
- (4) provides assurance that no portion of any age cohort has been denied the opportunity for screening; and
- (5) documents that children are not rescreened without professional justification.

Eligible districts shall receive:

- (1) for each three-year old screened who is not covered by medical assistance, the children's health plan or other medical insurance plan that will reimburse the district for the cost of screening the child, \$30; and
- (2) for each three-year old screened who is covered by a medical insurance plan that will reimburse the district for some or all of the cost of screening the child, the difference between the amount of reimbursement for the cost of screening the child provided to the district by the insurance plan and \$30, plus \$4.

Those districts receiving \$30 or more in reimbursement will receive \$4 per child for administrative costs. Each district must seek

payment from a medical insurance plan for the costs of screening those children who are covered by a medical insurance plan.

Districts that are enrolled in the medical assistance program as providers of early periodic screening, diagnosis, and treatment services as of June 30, 1989, that meet the criteria under section 123.702 and that meet or exceed the commissioner's guidelines for screening established under section 7, may receive aid under this subdivision beginning July 1, 1989.

Sec. 18. Minnesota Statutes 1988, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] ~~A district receiving~~ To receive aid under this section, a district must submit by June 1 an application on a form provided by the department and must have its the program described in that application approved by the commissioner according to the following criteria:

- (1) how the needs of all levels of learners will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and funds available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Sec. 19. Minnesota Statutes 1988, section 124.26, subdivision 7, is amended to read:

Subd. 7. [ADULT BASIC AND CONTINUING EDUCATION AID.] Each district shall receive aid for approved adult basic and continuing education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and nonlicensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Up to five percent of the combined state and federal aid may be for administrative costs of coordinating services with human services, employment, training, corrections, or other agencies providing services to adult learners. Expenditures for which the district receives federal aid shall not qualify for state aid.

Sec. 20. Minnesota Statutes 1988, section 124.26, is amended by adding a subdivision to read:

Subd. 8. [DEFINITION.] In this section, unless otherwise specified "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined in section 123.33, or "education district board" as defined in section 122.92.

Sec. 21. Minnesota Statutes 1988, section 124.271, is amended by adding a subdivision to read:

Subd. 2d. [REVENUE.] (a) Each fiscal year a district that has established a community education advisory council under section 121.88 and operates a community education program is eligible to receive community education revenue.

(b) For fiscal year 1990, the revenue for a school district without an approved youth development plan shall be an amount equal to the greater of 1,335 or the population of the district times \$5.50.

(c) For fiscal year 1990, the revenue for a school district with an approved youth development plan is an amount equal to the greater of 1,335 or the population of the district, times \$6.

(d) For 1991 and later fiscal years, the revenue for a school district without an approved youth development plan is an amount equal to the greater of 1,335 or the population of the district, times \$6.05.

(e) For fiscal year 1991 and later fiscal years, the revenue for a school district with an approved youth development plan is an amount equal to the greater of 1,335 or the population of the district, times \$6.55.

(f) For 1991 and each year thereafter, the revenue for a qualifying education district without an approved youth development plan is an amount equal to the greater of 1,335 times the number of

member school districts or the population of the qualifying education district, times \$6.05.

(g) For 1991 and later fiscal years, the revenue for a qualifying education district with an approved youth development plan is an amount equal to the greater of 1,335 times the number of member school districts in the qualifying education district or the population of the qualifying education district, times \$6.55.

Sec. 22. Minnesota Statutes 1988, section 124.271, is amended by adding a subdivision to read:

Subd. 2e. [LEVY.] To obtain community education revenue, a district must levy according to section 275.125, subdivision 8, or section 32.

Sec. 23. Minnesota Statutes 1988, section 124.271, is amended by adding a subdivision to read:

Subd. 2f. [AID.] The community education aid for a district equals its community education revenue minus its community education levy times the ratio of the actual amount levied to the permitted levy.

Sec. 24. Minnesota Statutes 1988, section 124.271, is amended by adding a subdivision to read:

Subd. 2g. [USES OF REVENUE.] Community education revenue must be used for community education including nonvocational adult programs, recreation and leisure-time activity programs, and programs authorized by sections 121.85 to 121.882.

Sec. 25. Minnesota Statutes 1988, section 124.271, is amended by adding a subdivision to read:

Subd. 8. [DEFINITION.] In this section and section 121.88, unless otherwise specified "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined in section 123.33, or "education district board" as defined in section 122.92.

Sec. 26. Minnesota Statutes 1988, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM REVENUE.] (a) The maximum revenue for early childhood family education programs for a school year the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or

the number of people under five years of age residing in the school district on September 1 of the preceding school year.

(b) For 1991 and later fiscal years, the maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$91 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year.

(c) For 1991 and later fiscal years, the maximum revenue for early childhood family education programs for a qualifying education district is the amount of revenue earned by multiplying \$91 times the greater of:

(1) 150 times the number of member school districts in the qualifying education district; or

(2) the number of people under five years of age residing in the qualifying education district on September 1 of the last year.

Sec. 27. Minnesota Statutes 1988, section 124.2711, subdivision 3, is amended to read:

Subd. 3. [AID.] If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, or section 32, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, or section 32.

In fiscal year 1990 only, a district receiving early childhood family education aid under this subdivision or levy under section 275.125, subdivision 8b, shall receive an additional amount of aid equal to \$4.50 times the number of people under five years of age residing in the district on September 1 of the last school year.

Sec. 28. Minnesota Statutes 1988, section 124.2711, subdivision 4, is amended to read:

Subd. 4. [USE OF REVENUE RESTRICTED.] The proceeds of the aid authorized by this section and the levy authorized by section

275.125, subdivision 8b, or section 32 shall be used only for early childhood family education programs.

Sec. 29. Minnesota Statutes 1988, section 124.2711, is amended by adding a subdivision to read:

Subd. 5. [DEFINITION.] In this section and section 121.882, unless otherwise specified "district" means either "school district" as defined in section 120.02, subdivision 1, or "qualifying education district" as defined in article 6, section 6, subdivision 2a; "school board" means either "school board" as defined in section 123.33, or "education district board" as defined in section 122.92.

Sec. 30. Minnesota Statutes 1988, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (a) Each year, a school district, excluding any school district belonging to a qualifying education district levying for this purpose, without a youth development plan that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill 0.8 percent times the most recent adjusted gross tax capacity of the district, but no more than the greater of

(1) \$7,340, or

(2) \$5.50 times the population of the district 1,335 or the population of the school district, times \$6.05.

(b) Each year, a school district, excluding any school district belonging to a qualifying education district levying for this purpose, with an approved youth development plan, or a district that intends to approve a youth development plan for the 1988-1989 school year, that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill 0.8 percent times the most recent adjusted gross tax capacity of the district, but no more than the greater of

(1) \$8,000, or

(2) \$6 times the population of the district 1,335 or the population of the school district, times \$6.55.

(c) In addition to the levy authorized in paragraph (a) or (b), each year a school district, excluding any school district belonging to a qualifying education district levying for this purpose, may levy an additional amount for community education programs equal to the amount authorized under Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(d) A school district, excluding any school district belonging to a qualifying education district levying for this purpose, having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by 1 mill 0.16 percent times the adjusted gross tax capacity of the district for the preceding year.

(e) A school district, excluding any school district belonging to a qualifying education district levying for this purpose, having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of: (1) the actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year, or (2) \$30,000 for one program. In the case of a program offered by a group of school districts, the levy amount shall be divided among the school districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program.

(f) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(g) The population of the school district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 31. Minnesota Statutes 1988, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] A school district, excluding any school district belonging to a qualifying education district levying for this purpose, may levy for its early childhood family education program. The amount levied shall not exceed the lesser of:

(a) 5 mill 0.44 percent times the adjusted gross tax capacity of the school district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 32. [275.1255] [TAX LEVY; QUALIFYING EDUCATION DISTRICTS.]

Subdivision 1. [COMMUNITY EDUCATION LEVY:] (a) Each year, a qualifying education district without a youth development plan that has established a community education advisory council under section 1, may levy the amount raised by 0.8 percent times the most recent adjusted gross tax capacity of the education district but no more than the greater of 1,335 times the number of member school districts in the qualifying education districts or the population of the qualifying education district, times \$6.05.

(b) Each year, a qualifying education district with an approved youth development plan that has established a community education advisory council under section 121.88, may levy the amount raised by 0.8 percent times the most recent adjusted gross tax capacity of the qualifying education district but no more than the greater of 1,335 times the number of member school districts in the qualifying education districts or the population of the qualifying education district, times \$6.55.

(c) A qualifying education district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not more than the amount raised by 0.16 percent times the adjusted gross tax capacity of the qualifying education district for the preceding year.

(d) A qualifying education district having an approved program and budget may levy for a handicapped adult program. The levy amount must not exceed the lesser of:

(1) the actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year; or

(2) \$30,000 for one program. The proceeds of the levy may be used only for a handicapped adult program.

(e) The levies authorized in this subdivision must be used for community education, including nonvocational adult programs, recreation, and leisure time activity programs, and programs authorized by sections 121.85 to 121.882. A qualifying education district may levy under this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality, and township in which the qualifying education district or any part of it is located have been sent 15

working days' written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between the bodies and the qualifying education district board. The failure of a governing board of a county, municipality, or township to attend the meeting does not affect the authority of the qualifying education district to levy under this subdivision.

(f) The population of the qualifying education district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Subd. 2. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] A qualifying education district may levy for its early childhood family education program. The amount levied must not be more than the lesser of:

(1) 0.44 percent times the adjusted gross tax capacity of the qualifying education district for the year before the year the levy is certified; or

(2) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 33. [PROGRAM REPORTING.]

Based on information provided by the districts, the commissioner of education shall report annually to the legislature, beginning December 1, 1990, on the number, ages, and characteristics of the children screened, the per child screening costs, the resources leveraged, including the amount of reimbursement received from medical insurance providers, the results of the screening, and the adequacy of follow-up services as described in section 10. By December 1, 1991, the commissioner shall report whether screening aid levels should be adjusted.

Sec. 34. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC AND CONTINUING EDUCATION.] For adult basic and continuing education aid according to Minnesota Statutes, section 124.26:

\$4,780,000 1990

\$5,043,000 1991

The 1990 appropriation includes \$638,000 for 1989 and \$4,142,000 for 1990.

The 1991 appropriation includes \$731,000 for 1990 and \$4,312,000 for 1991.

Up to \$235,000 in 1990 and \$250,000 in 1991 may be used for contracts with private, nonprofit organizations for approved programs.

The appropriation includes \$200,000 each year for programs to assist inmates in state correctional institutions in obtaining a high school diploma or its equivalent.

Subd. 3. [ADULT HANDICAPPED PROGRAM AID.] For aid for handicapped adult programs under Minnesota Statutes, section 124.271:

\$610,000 1990

\$670,000 1991

Any unexpended balance from the appropriation for fiscal year 1990 does not cancel and is available for fiscal year 1991.

Subd. 4. [COMMUNITY EDUCATION.] For community education programs:

\$3,281,000 1990

\$3,352,000 1991

The 1990 appropriation includes \$516,000 for 1989 and \$2,765,000 for 1990.

The 1991 appropriation includes \$489,000 for 1990 and \$2,863,000 for 1991.

Subd. 5. [COMMUNITY EDUCATION ADVISORY TASK FORCE.] For the activities of the community education advisory task force:

\$25,000 1990

This appropriation is available until June 30, 1991.

Subd. 6. [ECFE.] For early childhood family education programs:

\$10,689,000 1990

\$10,215,000 1991

The 1990 appropriation includes \$1,235,000 for 1989 and \$9,454,000 for 1990.

The 1991 appropriation includes \$1,669,000 for 1990 and \$8,547,000 for 1991.

Up to \$50,000 each year may be used to develop outcome measures and evaluate district ECFE programs.

Subd. 7. [DEVELOPMENTAL SCREENING.] For early childhood health and developmental screening:

\$676,000 1990

\$1,152,000 1991

The 1990 appropriation includes \$60,000 for 1989 and \$616,000 for 1990.

The 1991 appropriation includes \$109,000 for 1990 and \$1,043,000 for 1991.

Up to \$25,000 of the appropriation available in fiscal year 1990 may be used for start-up training and technical assistance.

Any unexpended balance in the first year does not cancel and is available in the second year.

Subd. 8. [EVALUATION OF BASIC SKILLS PROGRAMS.] For continuing an independent statewide evaluation of basic skills programs:

\$75,000 1990

\$75,000 1991

The department may contract for these services.

This appropriation is contingent upon the department's receipt of \$1 from private sources for each \$2 of this appropriation.

Subd. 9. [GED AND LEARN TO READ ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

\$100,000 1990

\$100,000 1991

The department may contract for these services.

Subd. 10. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 1990

\$70,000 1991

Sec. 35. [REPEALER.]

Minnesota Statutes 1988, section 123.702, subdivisions 1a, 5, 6, and 7, are repealed effective July 1, 1993.

Minnesota Statutes 1988, sections 129B.48 and 124.271, subdivision 26, are repealed.

ARTICLE 5

FACILITIES AND EQUIPMENT

Section 1. Minnesota Statutes 1988, section 124.243, subdivision 3, is amended to read:

Subd. 3. [CAPITAL EXPENDITURE FACILITIES LEVY.] To obtain capital expenditure facilities revenue, a district may levy an amount not to exceed the capital expenditure facilities revenue determined in subdivision 2 multiplied 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 actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~75 percent of the equalizing factor for the school year to which the levy is attributable~~ \$7,292.

Sec. 2. Minnesota Statutes 1988, section 124.243, is amended by adding a subdivision to read:

Subd. 11. [INSTALLMENT PURCHASE CONTRACTS.] An installment contract to purchase a facility in excess of \$400,000 is subject to the review and comment provisions of section 121.15.

Sec. 3. Minnesota Statutes 1988, section 124.244, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed the district's capital expenditure equipment revenue as determined in subdivision 1 multiplied 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 actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~75 percent of the equalizing factor for the school year to which the levy is attributable~~ \$7,292.

Sec. 4. [124.2442] [CAPITAL EXPENDITURE PRORATION.]

Subdivision 1. [INSUFFICIENT FUNDS.] If the total appropriation for capital expenditure equipment aid or capital expenditure facilities 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 capital expenditure facilities and equipment revenue according to the calculations in subdivisions 2 to 4.

Subd. 2. [ALLOWANCE REDUCTION.] If there are insufficient capital expenditure equipment and facility aid funds, the department must recompute the capital expenditure equipment and facility revenue by reducing the formula allowances to the levels that eliminate the deficiencies. The levy amounts must not be recomputed.

Subd. 3. [AID REDUCTION.] A district's proration aid reduction is equal to the lesser of zero, or the difference of the existing aid calculation minus the aid amount computed under subdivision 2.

Subd. 4. [LEVY REDUCTION.] If a district's proration aid reduction is less than its revenue reduction, its capital expenditure levy authority for the following year must be reduced by the amount of the difference between its revenue reduction and its aid reduction.

Sec. 5. Minnesota Statutes 1988, section 124.245, subdivision 3b, is amended to read:

Subd. 3b. [HAZARDOUS SUBSTANCE REVENUE AND AID.]
(a) A district's "hazardous substance revenue" for fiscal year 1989 equals the approved cost of the hazardous substance plan for the school fiscal year to which the levy is attributable, minus the unexpended portion of levies certified and aids earned by the district

in earlier years under ~~section~~ sections 124.245, subdivision 3, and 275.125, subdivision 11c.

(b) A district's "hazardous substance levy limitation" means its levy limitation computed according to section 275.125, subdivision 11c.

(c) A district's "hazardous substance aid" for 1988-1989 and later school years equals:

(i) the difference between its hazardous substance revenue and its hazardous substance levy limitation for the levy for that school year, multiplied by

(ii) the ratio of the amount actually levied to the amount of its hazardous substance levy limitation.

(d) Aid paid under this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c, may be used.

(e) In the event that the aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 6. Minnesota Statutes 1988, section 124.43, subdivision 1, is amended to read:

Subdivision 1. [REVIEW BY COMMISSIONER.] (a) The commissioner may, after review and a favorable recommendation by the state board of education, recommend to the legislature capital loans to school districts only after receiving both a favorable site recommendation under section 7 and after review and a favorable recommendation by the state board. Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted.

(b) Any school board that intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 121.15 by September 1 of any year, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a positive review and comment pursuant to section 121.15; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) (C) the district's need for the facilities is comparable to needs that comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not recommend approval of the loan. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not recommend approval of a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in gross tax capacity over the term of the loan, shall assume a levy equal to 16 mills a gross tax capacity rate of 13.08 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 16.27 percent for taxes payable in 1991 and thereafter, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

(d) No loan shall be recommended for approval for any district exceeding the greater of 50 percent of the total cost of the project or an amount computed as follows:

(1) The amount requested by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on June 30 of the year following the year the application was received, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 24 percent of the adjusted gross tax capacity; the following amount:

(i) for the period October 1, 1988, to September 30, 1989, 197 percent of its adjusted gross tax capacity; or

(ii) for any 12-month period beginning October 1 of any year after 1988, 245 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) Less the maximum net debt permissible for the district on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or 24 percent of the most recent adjusted gross tax capacity available at the time of application, the following amount:

(i) for the period October 1, 1988, to September 30, 1989, 197 percent of its adjusted gross tax capacity; or

(ii) for any 12-month period beginning October 1 of any year after 1988, 245 percent of its adjusted net tax capacity as most recently determined, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 7. Minnesota Statutes 1988, section 124.43, is amended by adding a subdivision to read:

Subd. 1a. [SITE RECOMMENDATION.] In addition to the review and comment, the state board must also provide the commissioner with a favorable site recommendation. To issue a favorable site recommendation, the state board must find that facilities could not be made available through:

(1) consolidation;

(2) dissolution and attachment;

(3) interdistrict cooperation;

(4) purchase or lease of facilities from existing institutions; or

(5) any other state facilities funding program.

The preference of the school district regarding reorganization must not be a criterion used by the state board in determining whether the facilities could be made available through reorganization.

The state board may reject a proposal or request that a district change its proposal if some form of interdistrict cooperation would lead to a more efficient use of school facilities.

Sec. 8. Minnesota Statutes 1988, section 124.83, subdivision 3, is amended to read:

Subd. 3. [HEALTH AND SAFETY REVENUE.] A district's health and safety revenue for a fiscal year equals the approved cost of the health and safety program for the school year to which the levy is attributable, minus the unexpended portion of levies certified by the district in earlier years under section 275.125, subdivision 11c:

(1) The sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, minus

(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the district's health and safety revenue under this subdivision, for years before the fiscal year to which the levy is attributable, plus (c) the amount of other federal, state, or local receipts for the district's hazardous substance or health and safety programs for fiscal year 1985 through the fiscal year to which the levy is attributable.

Sec. 9. Minnesota Statutes 1988, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lessor 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 actual pupil units in the district for the school year to which the levy is attributable, to

(2) 75 percent of the equalizing factor for the school year to which the levy is attributable \$7,292.

Sec. 10. Minnesota Statutes 1988, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Sec. 11. 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 or an area learning center 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 district or for custodial or other maintenance services.

Sec. 12. [HANDICAPPED ACCESSIBILITY LEVY: INDEPENDENT SCHOOL DISTRICT NO. 228.]

For handicapped accessibility improvements, independent school district No. 228, Harmony, may levy an amount not more than the lesser of \$100,000 or the costs of the handicapped accessibility improvements. The levy is available for taxes payable in 1990 only.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid under Minnesota Statutes, section 124.243:

\$38,002,000 1990

\$44,858,000 1991

The 1990 appropriation includes \$0 for 1989 and \$38,002,000 for 1990.

The 1991 appropriation includes \$6,706,000 for 1990 and \$38,151,000 for 1991.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid under Minnesota Statutes, section 124.243:

\$19,417,000 1990

\$22,921,000 1991

The 1990 appropriation includes \$0 for 1989 and \$19,417,000 for 1990.

The 1991 appropriation includes \$3,427,000 for 1990 and \$19,494,000 for 1991.

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid under Minnesota Statutes, section 124.83:

\$8,728,000 1990

\$12,334,000 1991

The 1990 appropriation includes \$0 for 1989 and \$8,728,000 for 1990.

The 1991 appropriation includes \$1,540,000 for 1990 and \$10,794,000 for 1991.

Subd. 5. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$893,000 1990

\$1,565,000 1991

The 1990 appropriation does not cancel and is available until July 1, 1991.

Subd. 6. [CAPITAL EXPENDITURE HAZARDOUS MATERIAL AID.] For the final payment of capital expenditure hazardous material aid under Minnesota Statutes, section 124.245:

\$9,000 1990

The 1990 appropriation is for the 1989 final payment.

Subd. 7. [CAPITAL EXPENDITURE REGULAR AID.] For the final payment of capital expenditure regular aid under Minnesota Statutes, section 124.245:

\$5,628,000 1990

The 1990 appropriation is for the 1989 final payment.

Sec. 14. [REPEALER.]

Minnesota Statutes 1988, section 124.243, subdivision 4, is repealed.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1988, section 121.908, subdivision 5, is amended to read:

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

Sec. 2. Minnesota Statutes 1988, section 122.23, is amended by adding a subdivision to read:

Subd. 13a. [CONSOLIDATION IN AN EVEN-NUMBERED YEAR.] (a) Notwithstanding subdivision 13, or any other law to the contrary, school districts may consolidate during an even-numbered year if the school board and the exclusive bargaining representative of the teachers in each affected district mutually agree to the

effective date of the consolidation. The agreement must be in writing and submitted to the commissioner of education.

(b) Notwithstanding any other law to the contrary, until a new contract is executed between the newly elected school board and the exclusive bargaining representative of the new district, the school boards and the exclusive bargaining representatives of the teachers in the preexisting districts may mutually agree that the terms and conditions of the new employing district are temporarily governed by a contract executed by a preexisting district and its exclusive bargaining representative.

Sec. 3. Minnesota Statutes 1988, section 122.43, subdivision 1, is amended to read:

Subdivision 1. Any organized school district not a part of an independent school district maintaining classified elementary and secondary schools, grades 1 through 12 is dissolved, unless the district has made an agreement with another district or districts as provided in section sections 122.535 or, 122.541, 10, or the cooperative secondary facilities grant act.

Sec. 4. Minnesota Statutes 1988, section 122.532, subdivision 4, is amended to read:

Subd. 4. Except as provided in this section, the provisions of section 125.12 or 125.17 shall apply to the employment of each teacher by the new employing district on the same basis as they would have applied to the employment if the teacher had been employed by that new district before the effective date of the consolidation or dissolution and attachment. For the purpose of applying the provisions of subdivision 3, clause (b), and the provisions of section 125.12, subdivision 6b, pursuant to under this section, a teacher's date of first employment shall be the date of beginning continuous employment in the preexisting district which employed the teacher is considered identical for all teachers who were first employed in any of the preexisting districts at the beginning of the same school year.

Sec. 5. Minnesota Statutes 1988, section 122.541, subdivision 5, is amended to read:

Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the March 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of

the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.

For the purpose of applying this subdivision, a teacher's date of first employment is considered identical for all teachers who were first employed in any of the cooperating districts at the beginning of the same school year.

Sec. 6. Minnesota Statutes 1988, section 122.91, is amended to read:

122.91 [EDUCATION DISTRICT ESTABLISHMENT.]

Subdivision 1. [PURPOSE.] The purpose of an education district is to increase educational opportunities for pupils learners by increasing cooperation and coordination among school districts and post-secondary institutions.

Subd. 2. [AGREEMENT.] School boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.

Subd. 2a. [AGREEMENT; SPECIAL PROVISIONS.] The education district agreement may contain the following special provisions adopted by the vote of a majority of the full membership of each of the boards of the member school districts.

(a) The agreement may contain a provision to allow the education district board to levy for and receive aid for any of the following:

(1) general education under chapter 124A;

(2) community education programs under sections 124.271 and 275.125, subdivision 8;

(3) early childhood family education programs under sections 124.2711 and 275.125, subdivision 8b;

(4) limited English proficiency programs under section 124.273;

(5) secondary vocational handicapped programs under section 124.574;

(6) special education programs under sections 124.32 and 275.125, subdivision 8c; and

(7) transportation under sections 124.225 and 275.125, subdivisions 5, 5b, 5c, 5e, 5f, and 5g.

A "qualifying education district" is any education district with the authority to levy under this subdivision.

(b) The agreement may contain a provision to allow a post-secondary institution to become a member of the education district.

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

(1) at least five districts;

(2) at least four districts with a total of at least 5,000 pupils in average daily membership; or

(3) at least four districts with a total of at least 2,000 square miles; or

(4) a variance received from the state board of education according to subdivision 3a.

Subd. 3a. [VARIANCE.] The state board of education must establish criteria for education district eligibility for a group of districts that do not qualify as an education district under subdivision 3, clause (1), (2), or (3).

A school board may apply to the state board for a variance from education district formation requirements. The state board must approve or disapprove an application within 60 days of receiving it from the school boards.

Subd. 3b. [MEETING WITH REPRESENTATIVES.] Before entering into an agreement, the school board of each member district must meet and confer with the exclusive representatives of the teachers of each school district proposing to enter the education district.

Subd. 4. [NOTICE AND HEARING.] Before entering into an agreement, the school board of each member district shall publish at least once in a newspaper of general circulation in the district a summary of the proposed agreement and its effect upon the district. The board shall conduct a public hearing on the proposed agreement not more than ten days after the notice and at least 30 days before entering into an agreement.

Subd. 5. [JOINDER AND WITHDRAWAL.] A process for a district to join or withdraw from an education district shall be included in the education district agreement.

If a member school district withdraws from an education district before the beginning of a school year for which an education district levy under section 124.2721 has been certified, a payment of revenue must be made to the school district from the education district. The amount of the payment is equal to the tax rate that was levied for the education district times the tax capacity of the school district. The payment must be made by December 31 of the calendar year following the year of certification.

A member district that has notified the education district board of its intent to withdraw from the education district must not be considered a member district for the certification of any education district levies.

A member district that has been considered a member district of a qualifying education district for the purpose of certifying a general education levy, community education levy, early childhood family education levy, or special education levy must not withdraw from the qualifying education district until the end of the school year for which a levy has been certified.

Subd. 6. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] If requested, educational cooperative service units shall provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and development of the agreement. The educational cooperative service units may provide any other services requested by the education district.

Subd. 7. [REVENUE.] An education district may be eligible for education district revenue under section 124.2721.

An education district may be eligible for the following revenue if authorized in the education district agreement under subdivision 2a of this section:

- (1) general education revenue under chapter 124A;
- (2) community education revenue under sections 124.271 and 275.125, subdivision 8;
- (3) early childhood family education revenue under sections 124.2711 and 275.125, subdivision 8b;
- (4) limited English proficiency revenue under section 124.273;
- (5) secondary vocational handicapped revenue under section 124.574;

(6) special education revenue under sections 124.32 and 275.125, subdivision 8c; and

(7) transportation under sections 124.225 and 275.125, subdivisions 5, 5b, 5c, 5e, 5f, and 5g.

Notwithstanding any other law to the contrary, if a qualifying education district receives revenue stated in any of clauses (1) to (5), its member school districts must not receive revenue for the same program.

A qualifying education district and a member school district must not receive revenue for the same costs under clauses (6) and (7).

Subd. 8. [LAWS GOVERNING INDEPENDENT SCHOOL DISTRICTS APPLICABLE.] As of the effective date of the establishment of an education district, the organization, operation, maintenance, and conduct of the affairs of the education district shall be governed, when not otherwise provided, by the general laws relating to independent school districts of the state.

Sec. 7. Minnesota Statutes 1988, section 122.92, is amended to read:

122.92 [EDUCATION DISTRICT BOARD.]

Subdivision 1. [SCHOOL DISTRICT REPRESENTATION.] The education district board shall be composed of at least one representative appointed by the school board of each member district. The Each representative shall reside in the school district must be a member of the appointing school board. The Each representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing school board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt bylaws for the conduct of its business.

Subd. 2. [POST-SECONDARY REPRESENTATION.] The education district board may appoint a representative from one or more member post-secondary institutions as a member of the education district board. Each post-secondary representative shall serve at the pleasure of the education district board and may be recalled by a majority vote of the education district board. A post-secondary representative must not vote on levy certification. The education district agreement may specify other issues on which a post-secondary representative must not vote.

Sec. 8. Minnesota Statutes 1988, section 122.93, subdivision 2, is amended to read:

Subd. 2. [PERSONNEL.] The board may employ personnel as necessary to provide and support the programs and services of the education district. Education district staff shall participate in retirement programs. Notwithstanding section 123.34, subdivision 9, a member district of an education district may contract with the education district for the services of a superintendent. The person to provide the services need not be employed by the education district at the time the contract is entered into.

Sec. 9. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 7. [BUDGET.] The education district board must adopt a budget for the expenditure of revenue received by the education district. The budget must be included in the five-year plan required under section 13.

Sec. 10. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 8. [DISCONTINUING GRADES.] The board of a school district that is a member of an education district may discontinue any of kindergarten through grade 12 or part of those grades and provide instruction for those grades or parts of grades through the education district.

Sec. 11. Minnesota Statutes 1988, section 122.94, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] An education district board shall adopt a comprehensive agreement for continuous learning. The agreement must address methods to improve the educational opportunities available in the education district. It must be submitted for review by all the educational cooperative service units serving unit within which the majority of the education district membership lies. The education district board shall review the agreement annually and propose necessary amendments to the member districts.

Sec. 12. Minnesota Statutes 1988, section 122.94, is amended by adding a subdivision to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For 1990-1991 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include at least the following:

- (1) the number of days of instruction;

- (2) the first and last days of instruction in a school year; and
- (3) the specific days reserved for staff development.

Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 13. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.

Sec. 13. [122.945] [EDUCATION DISTRICT PLAN.]

Subdivision 1. [FIVE-YEAR PLAN.] Each education district must develop a five-year plan to increase educational opportunities for all learners. The plan must give priority to the mandated programs and services under section 122.94, subdivision 2, with an emphasis on new, improved, or expanded programs or services. The plan must emphasize the integration of all aspects of education, including community education. Teachers must be involved in developing the plan. The plan must include at least the following components:

(1) a detailed description of the proposed increased educational opportunities for pupils resulting from the new, improved, or expanded programs or services;

(2) a budget for the current fiscal year and an estimated budget for the next fiscal year;

(3) an estimate of the number of school districts and pupils affected by program and service expenditures; and

(4) any other information required by the state board.

Subd. 2. [SUBMISSION AND APPROVAL OF FIVE-YEAR PLAN.] Each education district must submit a five-year plan developed according to subdivision 1 to the state board of education. An education district established before January 1, 1990, must submit a plan by a date specified by the state board. An education district established after December 31, 1989, must submit a plan to the state board by August 1. The board must approve or disapprove the plan within 60 days of receiving it from the education district.

Subd. 3. [UPDATING EDUCATION DISTRICT PLAN.] The state board of education may require education districts to submit updated five-year plans.

Subd. 4. [EDUCATION DISTRICT REVENUE.] An education district must receive state board of education approval of its

five-year plan to be eligible for education district revenue under section 124.2721, subdivision 6.

Subd. 5. [EVALUATION OF FIVE-YEAR PLAN.] The state board of education must annually evaluate the programs and services in a selected number of education districts to determine compliance with the five-year plan and any updated plans submitted to the board under this section.

Sec. 14. Minnesota Statutes 1988, section 122.95, is amended by adding a subdivision to read:

Subd. 1a. [FILLING POSITIONS; NEGOTIATED AGREEMENTS.] The school boards in all member districts and exclusive bargaining representatives of the teachers in all member districts may negotiate a plan for filling positions resulting from implementation of the education district agreement. If the plan is negotiated among the member school districts and the exclusive bargaining representative of each member school district and unanimously agreed upon, in writing, the education district shall include the plan in the education district agreement. If a plan is not negotiated, the education district is governed by subdivision 2.

Sec. 15. Minnesota Statutes 1988, section 122.95, subdivision 2, is amended to read:

Subd. 2. [FILLING POSITIONS.] (a) When an education district board or a member board is filling a position resulting from implementation of the agreement, the board may offer the position to a teacher currently employed by a member district according to the exchange teacher provisions of section 125.13.

(b) If the position is not filled by a currently employed teacher, the board shall offer the position to an available teacher in the order of seniority in fields of licensure on a combined seniority list of all available teachers in the member districts. An available teacher is a teacher in a member district who:

(1) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or was terminated according to section 125.17, subdivision 11, not more than one year before the initial formation of an education district as a result of an intention to enter into an education district agreement;

(2) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or was terminated according to section 125.17, subdivision 11, as a result of implementing the education district agreement, after the formation of the education district; or

(3) is placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or is terminated according to section 125.17, subdivision 11, as a result of implementing the education district, in the same year the position is filled.

(c) If no currently employed teacher or available teacher accepts the position, the board may fill the position with any other teacher.

(d) Any teacher who has been placed on unrequested leave of absence or who has been terminated has a right to a position only as long as the teacher has a right to reinstatement in a member district under section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11.

(e) For the purpose of this section, a teacher's date of first employment is considered identical for all teachers who were first employed in any of the member school districts at the beginning of the same school year.

Sec. 16. Minnesota Statutes 1988, section 124.2721, is amended to read:

124.2721 [EDUCATION DISTRICT REVENUE.]

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district revenue if the department certifies that it meets the requirements of section 122.91, subdivisions 3 and 4, and section 13. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Subd. 2. [REVENUE.] Education district revenue is \$60 per actual pupil unit in each school district that is a member of an education district.

Subd. 3. [LEVY.] To obtain education district revenue, an eligible education district may levy the lesser of its education district revenue or the amount raised by 1.3 mills times 1.5 percent of the adjusted gross tax capacity of each participating member district for the preceding year. Each year, the education district board shall certify to the county auditor or county auditors the amount of taxes to be levied under this section.

Subd. 4. [AID.] The aid for an education district equals its education district revenue minus its education district levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 4a. [AID ADJUSTMENT.] An education district's education district aid under subdivision 4 must be recomputed if a school district withdraws from the education district before the beginning

of a school year but after the education district levy has been certified. The recomputed education district aid is equal to the difference between:

(1) \$60 times the actual pupil units in the school districts that remain in the education district; and

(2) the education district levy tax rate times the tax capacity of the remaining member school districts of the education district.

Subd. 5. [USES OF REVENUE.] Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five-year plan under section 13.

Subd. 6. [CONSOLIDATION.] If all member districts of an education district receiving revenue under this section or a group of member districts of an education district receiving revenue under this section that would qualify as an education district under section 122.91, subdivision 3, consolidate into a single independent school district by proceedings taken in accordance with section 122.23, that consolidated district may continue to receive education district revenue according to this section.

Sec. 17. Minnesota Statutes 1988, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,000 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is

established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 240 pupils would be served in grades 10 to 12, 320 pupils would be served in grades 9 to 12, or 480 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings for students than is currently available in any single member district; and

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purposes of this section, a teacher's date of first employment is considered identical for all teachers who were first employed in any participating district at the beginning of the same school year.

Sec. 18. [124.4946] [TRANSPORTATION.]

The joint powers board representing the districts that have entered into a joint powers agreement under section 124.494, subdivision 2, or the boards of the districts that are contiguous to the

districts that have entered into a joint powers agreement, may transport nonresident pupils without charge between a school within the district and a point chosen by the pupil on a route traveled by a bus from the district.

Sec. 19. Minnesota Statutes 1988, section 124.575, subdivision 3, is amended to read:

Subd. 3. [LEVY.] To obtain secondary vocational cooperative revenue, an eligible secondary vocational cooperative may levy the lesser of its secondary vocational cooperative revenue or the amount raised by ~~.4 mills~~ times 0.6 percent of the adjusted gross tax capacity of each member district for the preceding year. Each year, the secondary vocational cooperative board must certify the amount of taxes to be levied under this section to the county auditor or county auditors.

Sec. 20. [124A.245] [GENERAL EDUCATION LEVY REDUCTION; EDUCATION DISTRICT REVENUE.]

If a school district withdraws from an education district that receives revenue under section 124.2721, a reduction in the school district's general education levy for the year after withdrawal must be made. The amount of the levy reduction equals the education district revenue paid by the education district to the school district according to section 6, subdivision 5. The levy reduction does not affect a school district's general education aid computation.

Sec. 21. Minnesota Statutes 1988, section 136D.27, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to each participating school district tax levies that shall not in any year exceed ~~.6 mills on each dollar~~ the greater of:

(a) the amount per pupil in the participating districts certified for taxes payable in 1989; or

(b) the lesser of (1) the sum of 0.5 percent of adjusted gross tax capacity for special education and ~~.7 mills on each dollar~~ 0.6 percent of adjusted gross tax capacity for expenses for secondary vocational education, or (2) \$60 times the pupil units in the participating districts for that year. Each participating school district shall include these tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after these levies have been certified to the participating school districts, issue and

sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 22. Minnesota Statutes 1988, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] Each year the intermediate school board may certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, tax levies that shall not in any year exceed ~~6 mills on each dollar~~ the greater of:

(a) the amount per pupil in the participating districts certified for taxes payable in 1989; or

(b) the lesser of (1) the sum of 0.5 percent of adjusted gross tax capacity for expenses for special education and ~~7 mills on each dollar~~ 0.6 percent of adjusted gross tax capacity for expenses for secondary vocational education, or (2) \$60 times the pupil units in the participating districts for that year. Said annual tax levies shall be certified pursuant to section 275.07. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations upon the levy of any of the participating districts.

Sec. 23. Minnesota Statutes 1988, section 136D.87, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to each participating school district tax levies that shall not in any year exceed ~~6 mills on each dollar~~ the greater of:

(a) the amount per pupil in the participating district certified for taxes payable in 1989; or

(b) the lesser of (1) the sum of 0.5 percent of adjusted gross tax capacity for expenses for special education and ~~7 mills on each dollar~~ 0.6 percent of adjusted gross tax capacity for expenses for secondary vocational education, or (2) \$60 times the pupil units in the participating districts for that year. Each participating school district shall include these tax levies in the next tax roll which it shall certify to the county auditor or auditors and shall remit the collections of these levies to the board promptly when received. These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after

these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 24. Minnesota Statutes 1988, section 275.125, subdivision 8e, is amended to read:

Subd. 8e. [INTERDISTRICT COOPERATION LEVY.] (a) This subdivision does not apply to special school district No. 1, independent school district No. 11, 625, or 709, or to a district that is a member of intermediate school district No. 287, 916, or 917.

(b) A district may levy each year under this subdivision if it:

(1) is a member of an education district, under sections 122.91 to 122.96, and the education district of which the district is a member does not receive revenue under section 124.2721; or

(2) has a cooperation agreement with other districts to expand curricular offerings in mathematics in grades 10 to 12, science in grades 10 to 12, foreign languages for two years, computer usage, or other programs recommended by the state board.

(c) The levy must not exceed the amount raised by one mill times lesser of \$50 times the actual pupil units for the school year or 0.8 percent times the adjusted gross tax capacity of the district for the preceding year.

(d) A district that is a member of a secondary vocational cooperative that levies under section 124.575, may levy the difference between the lesser amount raised by one mill times the adjusted gross tax capacity of the district under paragraph (c) for the preceding year and the amount levied under section 124.575. The proceeds of the levy may be used only to pay for instructional and administrative costs incurred in providing the curricular offerings under this section. A district may not spend more than five percent of the amount of the levy for administration.

Sec. 25. [ADVISORY COUNCIL REPORT.]

The advisory council on uniform financial accounting and reporting standards must report to the state board of education on the impact of education districts receiving revenue under section 6, subdivision 7, clauses (1) to (7).

Sec. 26. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [EDUCATION DISTRICT AID.] For education district aid:

\$4,653,000 1990

\$3,967,000 1991

The 1990 appropriation includes \$0 for 1989 and \$4,652,000 for 1990.

The 1991 appropriation includes \$822,000 for 1990 and \$3,145,000 for 1991.

Subd. 3. [SECONDARY VOCATIONAL COOPERATIVE AID.] For secondary vocational cooperative aid:

\$495,000 1990

\$224,000 1991

The 1990 appropriation includes \$0 for 1989 and \$495,000 for 1990.

The 1991 appropriation includes \$88,000 for 1990 and \$136,000 for 1991.

Subd. 4. [BLUE EARTH SCHOOL DISTRICT GRANT.] For a grant to independent school district No. 240, Blue Earth, for the cost of a communication link between Blue Earth and Mankato:

\$4,500 1990

The appropriation is available until June 30, 1991.

Subd. 5. [TELECOMMUNICATIONS GRANT.] For a grant to independent school district Nos. 353, 356, 440, 441, 444, 676, 678, 682, and 690, to develop a cooperative educational technology program:

\$300,000 1990

The appropriation is available until June 30, 1991.

Sec. 27. [REPEALER.]

Minnesota Statutes 1988, section 129B.11, is repealed July 1, 1989.

ARTICLE 7

ACCESS TO EXCELLENCE

Section 1. Minnesota Statutes 1988, section 120.06, is amended by adding a subdivision to read:

Subd. 2a. [EDUCATION OF HOMELESS.] Notwithstanding subdivision 1, a school district must not deny free admission to a homeless person of school age solely because the school district cannot determine that the person is a resident of the school district.

Sec. 2. Minnesota Statutes 1988, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Adult high school graduation aid for eligible pupils age 21 or over, equals an allowance of ~~65 percent of the general education formula allowance~~ \$1,820 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Average daily membership of eligible pupils must not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of adult high school graduation aid.

Sec. 3. [124.325] [SUPPLEMENTAL INSTRUCTION PROGRAM FOR LOW-ACHIEVING PUPILS.]

Subdivision 1. [DEFINITIONS.] In this section, "low-achieving pupil" means (a) a pupil who has not attained the learner outcomes required for the pupil's age group and grade; or (b) a pupil who is achieving below the pupil's age group and grade as measured on a standardized national, state or local test.

Subd. 2. [PROGRAM REQUIREMENTS.] An instruction program for low-achieving pupils in grades 4, 5, and 6 must provide supplemental instruction to improve pupils' performance in and understanding of mathematics and communications.

Subd. 3. [PROGRAM APPROVAL.] A district receiving aid under this section must have a plan approved by the commissioner of education. The plan must:

(1) describe specific instructional services that will be available to

low-achieving pupils who are not receiving comparable services through limited English proficiency, bilingual, or special education programs;

(2) describe measurement techniques for determining pupil's eligibility for supplemental instruction;

(3) describe measurement techniques for monitoring pupils' progress toward attaining learner outcomes;

(4) indicate compliance with Chapter I and other education assistance programs; and

(5) have a budget that includes an accounting of personnel.

Subd. 4. [REPORT.] The department of education shall report to the legislature by February 1, 1992, on districts' success in improving the performance and understanding of low-achieving pupils participating in the supplemental instruction program.

Subd. 5. [SUPPLEMENTAL INSTRUCTION PROGRAM AID.] Beginning in the 1990-1991 school year, a district with an approved plan under this section is eligible for supplemental instruction program aid for low-achieving pupils of \$45 times the number of fourth, fifth, and sixth grade pupils in weighted average daily membership.

Sec. 4. Minnesota Statutes 1988, section 124A.036, is amended by adding a subdivision to read:

Subd. 1a. [REPORTING; REVENUE FOR HOMELESS.] For all school purposes, unless otherwise specifically provided by law, a homeless pupil must be considered a resident of the school district that enrolls the pupil.

Sec. 5. Minnesota Statutes 1988, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school dropouts or other eligible students under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 50 80 percent of the basic revenue of the district for each pupil. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2.

Sec. 6. Laws 1988, chapter 718, article 7, section 61, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED FOR TWO YEARS.] A program is established to designate learning year program sites for providing instruction throughout the entire year. The learning year programs may begin June 9, 1988, and end June 9, 1990. The programs must permit students in grades 9 one through 12 to receive instruction throughout the entire year.

Students may participate in the program if they reside in:

(1) a district that has been designated a learning year program site under subdivision 2;

(2) a district that is a member of the same education district as a program site; or

(3) a district that participates in the same area learning center program as a program site.

Sec. 7. Laws 1988, chapter 718, article 7, section 61, subdivision 2, is amended to read:

Subd. 2. [STATE BOARD DESIGNATION.] Up to five ten districts may be designated learning year program sites by the state board of education. To be designated, a district must demonstrate to the commissioner of education that the district will:

(1) provide a program of instruction that permits students in grades 9 one through 12 to receive instruction throughout the entire year; and

(2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to students participating in the program. The purpose for identifying this membership is to ensure that a district will not be able to increase the total number of pupil units attributable to an individual student by providing a learning year program. The commissioner of education shall consult with the director of the education aids and levies section of the department of education when determining whether the record system of a participating district is adequate for this purpose.

Sec. 8. Laws 1988, chapter 718, article 7, section 61, subdivision 3, is amended to read:

Subd. 3. [HOURS OF INSTRUCTION.] Students participating in a program must be able to receive 4,200 16,200 hours of instruction so that they are able to complete the requirements of grades 9 one

through 12. If a student has not completed the graduation requirements of the district after completing ~~4,200~~ 16,200 hours of instruction, the student may continue to enroll in courses needed for graduation until either the student meets the graduation requirements or the student is 21 years old, whichever occurs first.

For the purposes of Minnesota Statutes, section 120.101, subdivision 5, 1,020 hours of instruction shall constitute 170 days of instruction. Hours of instruction that occur between June 9 and June 30 shall be attributed to the fiscal year following the days of actual instruction.

Sec. 9. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,223,000 1990

\$1,501,000 1991

The 1990 appropriation includes \$0 for 1989 and \$1,223,000 for 1990.

The 1991 appropriation includes \$216,000 for 1990 and \$1,285,000 for 1991.

Subd. 3. [AREA LEARNING CENTERS AID.] For area learning centers aid:

\$150,000 1990

\$150,000 1991

Any unexpended balance remaining in the first year does not cancel and is available in the second year.

Subd. 4. [ARTS PLANNING GRANTS.] For arts planning grants:

\$38,000 1990

\$38,000 1991

Any unexpended balance remaining in the first year does not cancel and is available in the second year.

Subd. 5. [PER PROCESS AID.] For PER process aid:

\$1,038,000 1990

\$1,046,000 1991

Subd. 6. [INSTRUCTION PROGRAM AID.] For instructional programs for low-achieving pupils:

\$6,868,000 1991

The 1991 appropriation includes \$0 for 1990 and \$6,867,000 for 1991.

The 1991 appropriation is based on a formula entitlement of \$8,080,000.

Subd. 7. [STAFF DEVELOPMENT.] For the department of education to provide staff development to assist teachers and paraprofessionals working with low achieving pupils:

\$100,000 1990

The staff development must include:

(a) instructional strategies to assist low-achieving pupils in attaining learner outcomes;

(b) instructional strategies to assist pupils from various cultural and ethnic groups in attaining learner outcomes;

(c) measurement techniques to monitor and improve pupil progress in attaining learner outcomes; and

(d) collaborative decision making that involves parents, paraprofessionals and other teachers.

This appropriation is available until June 30, 1991.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1988, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One hundred percent of the aid for the last fiscal year must be paid for the following aids: ~~abatement aid according to section 124.214, subdivision 2~~; special education residential aid according to section 124.32, subdivision 5; special education pupil aid according to section 124.32, subdivision 6; special education summer school aid, according to section 124.32, subdivision 10; and planning, evaluating, and reporting process aid according to section 124.274.

Sec. 2. [124.6472] [SCHOOL BREAKFAST PROGRAM.]

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which:

(1) at least 40 percent of the school lunches served during the 1989-1990 school year were served free or at a reduced price; or

(2) at least 35 percent of the parents responding to a survey conducted by the district indicate an interest in having their children participate in the program.

Subd. 2. [EXEMPTION.] Subdivision 1 does not apply to a school in which fewer than 25 pupils are expected to take part in the program.

Sec. 3. [SCHOOL BREAKFAST SURVEY.]

Subdivision 1. [SURVEY REQUIRED.] By September 1, 1990, a school district shall complete a survey of parents of pupils enrolled in each school to determine the number of parents who are interested in having their children participate in a school breakfast program.

Subd. 2. [APPLICABILITY.] This section does not apply to a school building:

(1) that has a school breakfast program; or

(2) that is subject to section 2, subdivision 1, clause (1).

Subd. 3. [REPORTS.] Each school district shall report the survey results to the commissioner of education by September 3, 1990. By January 1, 1991, the commissioner shall report to the education committees of the legislature about the results of the surveys, efforts by the commissioner to encourage expansion of the school breakfast program, and technical assistance provided by the commissioner to districts starting or expanding participation in the school breakfast program.

Sec. 4. [127.45] [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt before September 1, 1990, a written sexual harassment and sexual violence policy that is clear and understandable, and conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted in each school building and included in each school's student handbook on school policies.

Sec. 5. Minnesota Statutes 1988, section 129.121, is amended by adding a subdivision to read:

Subd. 6. [SEXUAL HARASSMENT AND VIOLENCE POLICY AND RULES.] The board of the league shall adopt a policy, rules, penalties, and recommendations addressing sexual harassment and sexual violence toward and by participants in league activities.

Sec. 6. Minnesota Statutes 1988, section 363.06, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim of an unfair discriminatory practice must be brought as a civil action pursuant to section 363.14, subdivision 1, clause (a), filed in a charge with a local commission pursuant to section 363.116, or filed in a charge with the commissioner within one year after the occurrence of the practice. The running of the one-year limitation period is suspended during the time a potential charging party and respondent are voluntarily engaged in a dispute resolution process involving a claim of unlawful discrimination under this chapter, including arbitration, conciliation, mediation or grievance procedures pursuant to a collective bargaining agreement or statutory, charter, or ordinance provisions for a civil service or other employment system or a school board sexual harassment or sexual violence policy. A potential respondent who participates in such a process with a potential charging party before a charge is filed or a civil action is brought shall notify the department and the charging party in writing of the participation in the process and the date the process commenced and shall also notify the department and the charging party of the ending date of the process. A respondent who fails to provide this notification is barred from raising the defense that the statute of limitations has run unless one year plus a period of time equal to the suspension period has passed.

Sec. 7. [363.16] [SEXUAL HARASSMENT AND VIOLENCE POLICY FOR EDUCATIONAL INSTITUTIONS.]

The commissioner of education, in consultation with the commissioner of human rights, shall develop and maintain a model sexual harassment and violence policy that may be used by school boards. The commissioner of education shall consult with other affected organizations when developing or modifying the policy. The model policy shall address the requirements of section 4 and must be completed by January 1, 1990.

Sec. 8. [SEXUAL HARASSMENT AND SEXUAL VIOLENCE POLICY; REPORT.]

By September 1, 1990, each school board shall submit to the commissioner of education a copy of the sexual harassment and sexual violence policy the board has adopted.

The commissioner of education shall report to the education committees of the legislature by December 1, 1990, the following:

- (1) the boards that have adopted policies;
- (2) the boards that have not adopted policies; and
- (3) review of and comments about the policies.

Sec. 9. [PARENTAL INVOLVEMENT; REPORT.]

Independent school district No. 625, St. Paul, and special school district No. 1, Minneapolis, in order to promote parental involvement in the educational development of their children, must establish a written collaborative agreement with community-based agencies serving at risk populations within the community. The agreement may include activities such as:

- (1) developing and disseminating information on parental involvement in the educational development of their children;
- (2) developing seminars or workshops on parent education or parental involvement in the development of children; and
- (3) establishing within the schools parent resource centers or parent networks to encourage parental involvement in the educational development of their children.

The districts may seek matching funds and in-kind contributions from public and private community-based sources. Descriptions of the district's experience with parental involvement activities under this section must be included in a report to be submitted to the legislature by December 30, 1990.

Sec. 10. [SPECIAL LEVY.]

Independent school district No. 232, Peterson, may levy an amount not more than \$150,000 for taxes payable in 1990, for purposes of retiring operating debt.

Sec. 11. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid:

\$5,111,000 1990

\$6,018,000 1991

The 1990 appropriation includes \$0 for 1989 and \$5,111,000 for 1990.

The 1991 appropriation includes \$902,000 for 1990 and \$5,116,000 for 1991.

Subd. 3. [INTEGRATION GRANTS.] For integration grants:

\$15,514,000 1990

\$15,514,000 1991

The grant includes \$1,268,738 each year for independent school district No. 709, Duluth; \$7,683,246 each year for special school district No. 1, Minneapolis; and \$6,561,971 each year for independent school district No. 625, St. Paul.

A district receiving an integration grant may spend a part of the grant on metropolitan desegregation efforts.

Subd. 4. [NONPUBLIC PUPIL AID.] For nonpublic pupil aid:

\$8,524,000 1990

\$8,847,000 1991

The 1990 appropriation includes \$1,229,000 for 1989 and \$7,295,000 for 1990.

The 1991 appropriation includes \$1,288,000 for 1990 and \$7,559,000 for 1991.

Subd. 5. [SCHOOL LUNCH PROGRAM.] For the school lunch program:

\$4,625,000 1990

\$4,625,000 1991

Subd. 6. [SCHOOL MILK PROGRAM.] For the school milk program:

\$800,000 1990

\$800,000 1991

Subd. 7. [TOBACCO USE PREVENTION.] For the tobacco use prevention program:

\$565,000 1990

\$672,000 1991

The 1990 appropriation includes \$0 for 1989 and \$565,000 for 1990.

The 1991 appropriation includes \$100,000 for 1990 and \$572,000 for 1991.

Subd. 8. [WEST ST. PAUL.] For a grant to independent school district No. 197, West St. Paul:

\$500,000 1989

The proceeds of this grant must be deposited in the district's debt redemption fund.

Sec. 12. [APPROPRIATION; ALCOHOL-IMPAIRED DRIVER EDUCATION.]

\$910,000 in fiscal year 1990 and \$915,000 in fiscal year 1991 are appropriated from the alcohol-impaired driver education account to the department of education for alcohol-impaired driver education programs.

Sec. 13. [EFFECTIVE DATE.]

Section 1 is effective September 1, 1991. Section 11, subdivision 8, is effective the day after its final enactment.

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 120.062, subdivision 4, is amended to read:

Subd. 4. [PUPIL APPLICATION PROCEDURES.] In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district. Before submitting an application, the pupil and the pupil's parent or guardian must explore with a school guidance counselor, or other appropriate staff member employed by the district the pupil is currently attending, the pupil's academic or other reason for applying to enroll in a nonresident district. The pupil's application must identify the reason for enrolling in the nonresident district. The parent or guardian of a pupil residing in a district that does not have a desegregation plan approved by the state board of education must submit an application by January 1 for enrollment during the following school year. The parent or guardian of a pupil residing in a district that has a desegregation plan approved by the state board of education may apply to a district at any time. The application shall be on a form provided by the department of education. A particular school or program may be requested by the parent.

Sec. 2. Minnesota Statutes 1988, section 120.062, subdivision 6, is amended to read:

Subd. 6. [NONRESIDENT DISTRICT PROCEDURES.] Within 60 days of receiving an application, A district that does not exclude nonresident pupils, according to subdivision 3, shall notify the parent or guardian ~~and the resident district~~ in writing by February 1 whether the application has been accepted or rejected. If an application is rejected, the district must state in the notification the reason for rejection. The parent or guardian shall notify the nonresident district by February 15 that the pupil will enroll in the nonresident district. Notice of intent to enroll in the nonresident district obligates the pupil to attend the nonresident district during the following school year, unless the superintendents in the resident and the nonresident districts agree in writing to allow the pupil to transfer back to the resident district, or the pupil's parents or guardians change residence to another district. The nonresident district shall notify the resident district by March 1 of the pupil's intent to enroll in the nonresident district. The same procedures apply to a pupil who applies to transfer from one participating nonresident district to another participating nonresident district.

Sec. 3. Minnesota Statutes 1988, section 120.062, is amended by adding a subdivision to read:

Subd. 13. [ATHLETIC PARTICIPATION.] If a pupil enrolls in a nonresident district under this section, the pupil is ineligible to participate in the extracurricular varsity athletic activities of the nonresident district for one school year. During that year of ineligibility in the nonresident district, the pupil remains eligible to participate in the extracurricular varsity athletic activities of the pupil's resident district, or in the extracurricular varsity athletic activities of the nonpublic school the pupil attended before enrolling in a public school under this section. After the year of ineligibility expires, the pupil is eligible to participate in the extracurricular varsity athletic activities of the nonresident district and is no longer eligible to participate in the extracurricular varsity athletic activities of the resident district or nonpublic school. The same restrictions apply to a pupil who transfers from one participating nonresident district to another participating nonresident district.

The superintendents in the resident and nonresident districts may agree in writing to allow a nonresident pupil to participate in the extracurricular varsity athletic activities of the nonresident district during the year of ineligibility if the pupil demonstrates that the distance the pupil must travel between the resident and nonresident district prevents the pupil from participating in the extracurricular varsity athletic activities of the resident district. This subdivision does not apply to pupils who have been enrolled in the nonresident district during the 1988-1989 school year under an alternative enrollment options agreement.

Sec. 4. Minnesota Statutes 1988, section 123.3514, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of this section is to promote rigorous academic pursuits and to provide a wider variety of options to public high school pupils by encouraging and enabling secondary pupils to enroll full time or part time in nonsectarian and nonremedial courses or programs in eligible post-secondary institutions, as defined in subdivision 3.

Sec. 5. Minnesota Statutes 1988, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade public school pupil may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian and nonremedial courses offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used

by the institution. Acceptance for enrollment is not a guarantee of registration into a particular course. The pupil must comply with the institution's standards, prerequisites, and procedures to register for a course.

During the time a pupil is enrolled at a post-secondary institution under this section, the post-secondary institution must periodically inform the pupil, the pupil's parents or guardian, and the pupil's secondary school of the pupil's progress in the courses or programs taken for secondary credit.

Sec. 6. Minnesota Statutes 1988, section 123.3514, subdivision 4c, is amended to read:

Subd. 4c. [LIMIT ON PARTICIPATION.] A pupil who first enrolls in grade 11 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 11 or 12 first enrolls in a post-secondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

Sec. 7. Minnesota Statutes 1988, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Nine quarter or six semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district shall, as soon as possible, notify the state board of education which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a

dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 8. Minnesota Statutes 1988, section 123.3514, subdivision 7, is amended to read:

Subd. 7. [FEES; TEXTBOOKS; MATERIALS.] A post-secondary institution that receives reimbursement for a pupil under subdivision 6 may not charge that pupil for fees, textbooks, materials, or other necessary costs of the course or program in which the pupil is enrolled if the charge would be prohibited under section 120.74, except for equipment purchased by the pupil that becomes the property of the pupil. An institution may require the pupil to pay for fees, textbooks, and materials for a course taken for post-secondary credit.

Sec. 9. Minnesota Statutes 1988, section 123.3514, subdivision 10, is amended to read:

Subd. 10. [LIMIT; STATE OBLIGATION.] The provisions of subdivisions 6, 7, 8, and 9 shall not apply for any post-secondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any post-secondary course in which a pupil is enrolled for post-secondary credit. The pupil is enrolled full time if the pupil attends credit-bearing classes in the high school or high school program for all of the available hours of instruction.

Sec. 10. [126.1995] [SAFETY REQUIREMENT GUIDELINES.]

Subdivision 1. [DEVELOPING AND IMPLEMENTING GUIDELINES.] The department of education, in cooperation with the Minnesota fire marshal's division, shall develop guidelines for school lab safety. The guidelines shall include a list of safety requirements and an explanation of the minimum state and national laws, codes, and standards affecting school lab safety the Minnesota fire marshal considers necessary for schools to implement.

The state department of education shall send the guidelines on school lab safety to district superintendents before September 1, 1989. The district superintendent must ensure that every school lab within the district complies with the school lab safety requirements. Each district superintendent must inform the department by January 1, 1990, of its efforts to comply with the safety requirements. Lack of funding is not an excuse for noncompliance.

Subd. 2. [REPORT TO LEGISLATURE.] The department of education and the state fire marshal shall report to the chairs of the education finance division in the house and senate by February 1, 1990, on district and state compliance with school lab safety requirements.

Sec. 11. Minnesota Statutes 1988, section 126.67, subdivision 8, is amended to read:

Subd. 8. [CAREER INFORMATION; APPROPRIATION.] The department of education, through the Minnesota career information system, may provide career information to school districts and educational systems organizations, employment and training services, human service agencies, libraries, and families. The department may shall collect reasonable fees for subscriptions to necessary to recover all expenditures related to the operation of the Minnesota career information service. Grants may be accepted and used for the improvement or operation of the program.

Money collected from the sale of these products and services is annually appropriated to the department of education for the Minnesota career information system.

Sec. 12. Minnesota Statutes 1988, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

None of the provisions of sections 141.21 to 141.36 shall apply to the following:

(a) Colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees;

(b) Schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) Public schools as defined in section 120.05;

(d) Private schools complying with the requirements of section 120.10, subdivision 2;

(e) Private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;

(f) Courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(g) Schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;

(i) Schools and educational programs, or training programs, conducted by persons, firms, corporations, or associations, for the training of their own employees, for which no fee is charged the employee;

(j) Schools engaged exclusively in the teaching of purely avocational or recreational, or remedial subjects as determined by the commissioner. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;

(k) Driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;

(l) Classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(m) Courses of instruction in the fine arts provided by organizations exempt from taxation pursuant to section 290.05 and registered with the Minnesota department of commerce pursuant to chapter 309. "Fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the commissioner may seek the advice and recommendation of the Minnesota board of the arts;

(n) Classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession,

which classes, courses, or programs have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and which are offered primarily to a person who currently practices the profession;

(o) Classes, courses, or programs to prepare students for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(p) Classes, courses, or programs taught as seminars containing 16 or fewer hours of instruction;

(q) Classes, courses, or programs to prepare persons for careers in modeling or acting; or

(r) Education programs in which one instructor teaches one student.

Sec. 13. Minnesota Statutes 1988, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] A member granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a or 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, The state shall not pay employer contributions into the fund for any year for which a member is on extended leave. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before the later of June 30 of each fiscal year for which service credit is received or within 30 days after first notification of the amount due, if requested by the member, is given by the association. No payment is permitted after the following September 30. Payments received after June 30 must include six percent interest from June 30 through the end of the month in which payment is received.

Sec. 14. Minnesota Statutes 1988, section 354.094, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; RETENTION.] Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave whose employee and employer contributions are paid into the fund

pursuant to ~~subdivisions~~ subdivision 1 and 1a shall retain membership in the association for as long as the contributions are paid, under the same terms and conditions as if the member had continued to teach in the district, the community college system or the state university system.

Sec. 15. Minnesota Statutes 1988, section 354.66, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, ~~except as provided in subdivision 4a~~, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivision 3. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 16. Minnesota Statutes 1988, section 354A.091, subdivision 1, is amended to read:

Subdivision 1. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, ~~except as provided in subdivision 1a or 1b~~, an elementary, secondary or technical institute teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60, may pay employee contributions to the applicable association and shall be entitled to receive allowable service credit in that association for each year of leave, provided

the member and the employing board make the required employer contributions, in any proportion they may agree upon, to that association during the period of leave which shall not exceed five years. ~~Except as provided in subdivision 1a or 1b~~ The state shall not make an employer contribution on behalf of the teacher. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12 as applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee and employer contributions authorized pursuant to this section shall be made on or before June 30 of the fiscal year for which service credit is to be received. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 17. Minnesota Statutes 1988, section 354A.091, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP RETENTION.] A teacher on extended leave pursuant to section 125.60 whose employee and employer contributions are made to the applicable teachers retirement fund association pursuant to ~~subdivisions~~ subdivision 1 and 1a shall retain membership in the association for each year during which the contributions are made, under the same terms and conditions as if the teacher had continued to teach in the district.

Sec. 18. Minnesota Statutes 1988, section 354A.094, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, ~~except as provided in subdivision 4a~~, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the part-time assignment. The employer contributions to the applicable association on behalf of the teacher shall be based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner

described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part-time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 19. [STAFF EXCHANGE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A staff exchange program for the 1989-1990 and 1990-1991 school years is established to allow local school districts to arrange temporary and voluntary exchanges between members of their kindergarten through grade 12 instructional and administrative staffs. The purpose of the program is to provide participants with an understanding of the educational concerns of other local school districts, including concerns of class organization, curriculum development, instructional practices, and characteristics of the student population.

The educational needs and interests of the host school district and the training, experience, and interests of the participants shall determine the assignment of the participants in the host district. Participants may teach courses, provide counseling and tutorial services, work with teachers to better prepare students for future educational experiences, serve an underserved population in the district, or assist with administrative functions. The assignments participants perform for the host district must be comparable to the assignments the participants perform for the district employing the participants. Participation in the exchange program need not be limited to one school or one school district and may involve other education organizations including education districts and ECSUs.

Subd. 2. [PROGRAM REQUIREMENTS.] All staff exchanges made under this section are subject to the requirements in this subdivision.

(a) A school district employing a participating staff member must not adversely affect the staff member's salary, seniority, or other employment benefits, or otherwise penalize the staff member for participating in the program.

(b) Upon completion or termination of an exchange, a school district employing a participating staff member must permit the staff member to return to the same assignment the staff member performed in the district before the exchange.

(c) A school district employing a participating staff member must continue to provide the staff member's salary and other employment benefits during the period of the exchange.

(d) A participant must be licensed and tenured.

(e) Participation in the program must be voluntary.

(f) The length of participation in the program must be no less than one-half of a school year and no more than one school year, and any premature termination of participation must be upon the mutual agreement of the participant and the participating school districts.

(g) A participant is responsible for transportation to and from the host school district.

This subdivision does not abrogate or change rights of staff members participating in the staff exchange program or the terms of an agreement between the exclusive representative of the school district employees and the school district. Participating school districts may enter into supplementary agreements with the exclusive representative of the school district employees to accomplish the purpose of this section.

Subd. 3. [APPLICATION PROCEDURES.] The school board of a school district must decide by resolution to participate in the staff exchange program. A staff member wishing to participate in the exchange program must submit an application to the school district employing the staff member. The district must, in a timely and appropriate manner, provide to the exclusive bargaining representatives of teachers in the state the number and names of prospective participants within the district, the assignments available within the district, and the length of time for each exchange. The exclusive bargaining representatives are requested to cooperatively participate in the coordination of exchanges to facilitate exchanges across all geographical regions of the state. Prospective participants must contact teachers and districts with whom they are interested in making an exchange. The prospective participants must make all arrangements to accomplish their exchange and the superintendents of the participating districts must approve of the arrangements for the exchange in writing.

Subd. 4. [REPORT.] By January 1, 1991, the school districts participating in the staff exchange program shall report to the commissioner of education on the number and location of staff members participating in the exchange, the assignments of the participants, and other matters of interest, including the advisability of continuing the exchange. The commissioner shall compile the information provided by the districts and present the compiled information to the education committees of the legislature by February 1, 1991.

Sec. 20. [REPORT.]

The commissioner of education shall provide an interim report to the education committees of the legislature by February 1, 1990, describing the experiences of parents, pupils, and school districts with the enrollment options program. The commissioner shall provide a final report to the committees by February 1, 1991, evaluating experiences of parents, pupils, and school districts with the program.

Sec. 21. [REPEALER.]

Minnesota Statutes 1988, section 120.062, subdivision 8, is repealed effective for the 1989-1990 school year.

Sec. 22. [EFFECTIVE DATES.]

Section 19 is effective for the 1989-1990 school year. Sections 1 and 2 are effective for the 1990-1991 school year and thereafter. Section 3 is effective for the 1989-1990 school year and thereafter.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1988, section 134.33, subdivision 1, is amended to read:

Subdivision 1. An establishment grant as described in section 134.32, subdivision 2, shall be made to any regional public library system for the first two state fiscal years after a board of county commissioners has contracted to join that system and has agreed that the county will provide the levels of support for public library service specified in this section. In the first year of participation 1990, the county shall provide an amount of support equivalent to ~~3~~ mill times 0.25 percent of the adjusted gross tax capacity of the taxable property of the county as determined by the commissioner of revenue for the second year preceding that calendar year or two-thirds of the per capita amount established under the provisions of section 134.34, subdivision 1, whichever amount is less. In the second year of participation 1991 and in each year thereafter, the county shall provide an amount of support equivalent to ~~4~~ mill times 0.41 percent of the adjusted gross net tax capacity of the taxable property of the county as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount established under the provisions of section 134.34, subdivision 1, whichever is less. The minimum level of support shall be certified annually to the county by the department of education. In no event shall the department of education require any county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for an establishment grant. This section shall not be construed to prohibit any county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 2. Minnesota Statutes 1988, section 134.34, subdivision 1, is amended to read:

Subdivision 1. [LOCAL SUPPORT LEVELS.] A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, except in the first year of participation as provided in section 134.33, is providing for public library service support the lesser of (a) an amount equivalent to .4 mill times 0.33 percent of the adjusted gross tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1990 and an amount equivalent to .41 percent of the net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1991 and later years or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year 1980 1990 as \$3 \$3.62. In succeeding calendar years, the per capita amount shall be increased by a percentage equal to one-half of the percentage by which the total state adjusted gross net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted gross net tax capacity for the third year preceding that calendar year. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 3. Minnesota Statutes 1988, section 134.34, subdivision 2, is amended to read:

Subd. 2. [REQUIRED INCREASES; LIMIT.] Notwithstanding the provisions of section 134.33 and subdivision 1 of this section, after the second year of participation by a city or county, the dollar amount of the minimum level of support for that city or county shall not be required to increase by more than ten percent over the dollar amount of the minimum level of support required of it in the previous year. If a participating city or county which has been providing for public library service support in an amount equivalent to .67 mill times the gross tax capacity of the taxable property of that city or county for the year preceding that calendar year would be required to increase the dollar amount of such support by more

than ten percent to reach the equivalent of .4 mill times the adjusted gross tax capacity of the taxable property of that participating city or county as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount calculated under the provisions of subdivision 1, it shall only be required to increase the dollar amount of such support by ten percent per year until such time as it reaches an amount equivalent to .4 mill times the adjusted gross tax capacity of that taxable property as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount calculated under the provisions of subdivision 1.

Sec. 4. Minnesota Statutes 1988, section 134.34, subdivision 3, is amended to read:

Subd. 3. [REGIONAL DESIGNATION.] Regional library basic system support grants shall be made only to those regional public library systems officially designated by the state board of education as the appropriate agency to strengthen, improve and promote public library services in the participating areas. The state board of education shall designate no more than one such regional public library system located entirely within any single development region existing under sections 462.381 to 462.396 462.398 or chapter 473.

Sec. 5. Minnesota Statutes 1988, section 134.34, subdivision 4, is amended to read:

Subd. 4. [MAINTENANCE OF EFFORT.] A regional library basic system support grant shall not be made to a regional public library system for a participating city or county which decreases the dollar amount provided for support for operating purposes of public library service below the amount provided by it for the preceding year. This subdivision shall not apply to participating cities or counties where the adjusted gross or net tax capacity of that city or county has decreased, if the dollar amount of the reduction in support is not greater than the dollar amount by which support would be decreased if the reduction in support were made in direct proportion to the decrease in adjusted gross or net tax capacity.

Sec. 6. Minnesota Statutes 1988, section 134.35, subdivision 5, is amended to read:

Subd. 5. [SEVENTEEN AND ONE-HALF PERCENT.] Seventeen and one-half percent of the available grant funds shall be distributed to regional public library systems which contain counties whose adjusted gross or net tax capacity per capita were below the state average adjusted gross or net tax capacity per capita for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows:

(a) subtract the adjusted gross or net tax capacity per capita for each eligible county or participating portion of a county from the statewide average adjusted gross or net tax capacity per capita;

(b) multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;

(c) for each regional public library system, determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;

(d) determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;

(e) for each system, divide the result of the computation in clause (c) by the result of the computation in clause (d) to obtain the allocation factor for that system;

(f) multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants under Minnesota Statutes, sections 134.32 to 134.35:

\$5,179,000 1990

\$5,215,000 1991

The 1990 appropriation includes \$747,000 for 1989 and \$4,432,000 for 1990.

The 1991 appropriation includes \$783,000 for 1990 and \$4,432,000 for 1991.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants to multicounty, multitype library systems under Minnesota Statutes, sections 134.353 and 134.354:

\$234,000 1990

\$240,000 1991

The 1990 appropriation includes \$34,000 for 1989 and \$200,000 for 1990.

The 1991 appropriation includes \$36,000 for 1990 and \$204,000 for 1991.

Subd. 4. [STATE AGENCY ON-LINE SYSTEM.] For the ongoing cost of operating a computer library catalog system in state agency libraries:

\$46,000 1990

This appropriation is available until June 30, 1991.

Subd. 5. [MATERIALS FOR LIBRARIANS.] To update materials on library information and services available to librarians through the department of education:

\$20,000 1990

This appropriation is available until June 30, 1991.

Sec. 8. [REPEALERS.]

Subdivision 1. [JULY 1, 1989.] Minnesota Statutes, section 134.34, subdivision 5, is repealed July 1, 1989.

Subd. 2. [JULY 1, 1991.] Minnesota Statutes, section 134.33, subdivision 1, is repealed July 1, 1991.

ARTICLE 11

EDUCATION AGENCY SERVICES

Section 1. Minnesota Statutes 1988, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional debt. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional debt. The district is not liable for any additional outstanding regional debt that occurs after written notice is given to transfer or use an alternative finance system. ~~in no~~

event shall the annual fee of a district participating in a state pilot program of an alternative financial management information system exceed the annual fee chargeable to the district in the absence of the pilot program. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state.

Sec. 2. Minnesota Statutes 1988, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit agrees to assume.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the state board of education. The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal at least six months prior to June 30. Notwithstanding

ing the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the state board of education in accordance with rules adopted by the state board of education pursuant to chapter 14. The state board of education shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(e) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 3. Minnesota Statutes 1988, section 123.58, is amended by adding a subdivision to read:

Subd. 12. [BORROWING AUTHORITY.] (a) An ECSU may, on behalf of its member public school districts, issue bonds or other obligations as it deems necessary to fulfill its purposes and exercise its powers. The bonds or other obligations may be issued to provide funds in anticipation of the receipt of revenues of the current year, to finance capital expenditures, and to pay the costs and expenses of issuing bonds.

(b) The bonds or other obligations may be payable solely from the revenues of the ECSU to the extent pledged. They may also be secured by a mortgage or deed of trust of part or all of the property of the ECSU. Neither the state nor a member public school district may pledge its faith and credit or taxing power to pay the bonds or other obligations or interest on them.

(c) Bonds or other obligations may be issued or sold at public or private sale and at the price, maturities, interest rates, and in the form determined by the ECSU, except that obligations issued in anticipation of the receipt of revenues may not exceed 50 percent of the revenues to be received during the fiscal year and may not mature later than the anticipated date of receipt of the revenues, but in no event later than three months after the close of the fiscal year.

Sec. 4. Minnesota Statutes 1988, section 126.56, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE PROGRAMS INSTITUTIONS.] A scholar-

ship may be used only for an eligible program. An eligible program shall be approved by the state board of education. An eligible program shall be sponsored by at an eligible institution. A Minnesota public post-secondary institution is an eligible institution. A private post-secondary institution that is eligible if it:

- (1) is accredited by the North Central Association of Colleges;
- (2) offers at least an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and
- (3) is located in Minnesota.

An eligible program shall, as its primary purpose, provide academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign language. The program shall not be offered for credit to post-secondary students. It shall not provide remedial instruction. Additional requirements for eligibility may be established by the state board of education and the higher education coordinating board.

Sec. 5. Minnesota Statutes 1988, section 126.56, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education coordinating board; and

(5) be approved by the state board of education.

Sec. 6. [APPROPRIATION.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The sums indicated in this section are appropriated from the general fund to the higher education coordinating board for the fiscal years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1990 and 1991 summer programs, according to Minnesota Statutes, section 126.56:

\$214,000 1990

\$214,000 1991

Of this appropriation, the amount required may be used for the higher education coordinating board's cost of administering the program.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching for the fiscal years designated. Any unexpended balance from the appropriations in this section in the first year does not cancel and is available for the second year.

Subd. 2. [ASSESSMENT OF TEACHER PERFORMANCE.] For designing an assessment procedure for the plan required in Laws 1985, First Special Session chapter 12, article 8, section 48:

\$166,000 1990

\$166,000 1991

Subd. 3. [EXEMPLARY TEACHER EDUCATION PROGRAM.] For development of exemplary teacher education programs under Minnesota Statutes, section 126.81, and dissemination and replication of program models:

\$135,000 1990

\$135,000 1991

Subd. 4. [TEACHER CENTERS.] For implementation of teacher centers based on plans developed under Laws 1987, chapter 398, article 8, sections 42 and 43, and replication of these plans in other sites:

\$100,000 1990

\$100,000 1991

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TEACHER MENTORSHIP.] For grants to develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$250,000 1990

\$250,000 1991

Any unexpended balance in the first year does not cancel and is available for the second year.

Subd. 3. [ADMINISTRATOR'S ACADEMY.] For the administrator's academy:

\$168,000 1990

\$168,000 1991

\$24,000 must be used each year for the school management assessment center at the University of Minnesota.

Subd. 4. [OFFICE ON TRANSITION SERVICES.] For the inter-agency office on transition service under Minnesota Statutes, section 120.183:

\$80,000 1990

\$80,000 1991

Subd. 5. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units:

\$749,000 1990

\$749,000 1991

The 1990 appropriation includes \$113,000 for 1989 and \$636,000 for 1990.

The 1991 appropriation includes \$113,000 for 1990 and \$636,000 for 1991.

Subd. 6. [MANAGEMENT INFORMATION CENTERS.] For management information centers according to Minnesota Statutes, section 121.935, subdivision 5:

\$3,411,000 1990

\$3,411,000 1991

Subd. 7. [STATE PER ASSISTANCE.] For state assistance for planning, evaluating, and reporting:

\$601,000 1990

\$601,000 1991

Subd. 8. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$600,000 1990

\$600,000 1991

Subd. 9. [CURRICULUM AND TECHNOLOGY INTEGRATION.] For curriculum and technology integration services:

\$722,000 1990

\$722,000 1991

Subd. 10. [TECHNOLOGY INFORMATION DISSEMINATION.] To collect and disseminate information on emerging uses of technologies in education:

\$20,000 1990

\$20,000 1991

Subd. 11. [COMPREHENSIVE ARTS PLANNING PROGRAM.] For the technical assistance for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21:

\$38,000 1990

\$38,000 1991

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation under Minnesota Statutes, section 121.612:

\$175,000 1990

\$175,000 1991

Sec. 9. [APPROPRIATION.]

Subdivision 1. [STATE UNIVERSITY BOARD.] The sums indicated in this section are appropriated from the general fund to the state university board for the fiscal years designated.

Subd. 2. [FACULTY EXCHANGE.] For expenses incurred by elementary and secondary teachers participating in the faculty education exchange:

\$25,000 1990

The appropriation is available until June 30, 1991.

Sec. 10. [APPROPRIATION.]

Subdivision 1. [BOARD OF REGENTS.] The sums indicated in this section are appropriated from the general fund to the board of regents of the University of Minnesota for the fiscal years designated.

Subd. 2. [FACULTY EXCHANGE.] For expenses incurred by elementary and secondary teachers participating in the faculty education exchange:

\$25,000 1990

The appropriation is available until June 30, 1991.

Sec. 11. [REPEALER.]

Laws 1988, chapter 718, article 5, section 4, is repealed.

ARTICLE 12

STATE AGENCIES

Section 1. Minnesota Statutes 1988, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veter-

ans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the waste management board; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; the school and Minnesota resource center for the arts education; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 2. Minnesota Statutes 1988, section 128A.09, is amended to read:

128A.09 [SERVICE, SEMINAR, AND CONFERENCE FEES.]

Subdivision 1. [~~DEPOSIT; CREDIT RENTAL INCOME; APPROPRIATION.~~] Fees and Rental income, excluding rent for land and living residences, collected by the academies for services, seminars, and conferences must be deposited in the state treasury and credited to the a revolving fund of the academies. Money in the revolving fund for rental income is annually appropriated to the academies for staff development purposes. Payment from the revolving fund for rental income may be made only according to vouchers authorized by the administrator of the academies.

Subd. 2. [ADMINISTRATOR'S VOUCHERS FEES; APPROPRIATION.] Payment may be made from the revolving fund only according to vouchers authorized by the administrator of the academies. Income from fees for conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for fees from conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials is annually appropriated to the academies to defray expenses of the services conferences, seminars, technical assistance, and conferences production of materials. Payment from the revolving fund for conferences and other fees may be made only according to vouchers authorized by the administrator of the academies.

Sec. 3. Minnesota Statutes 1988, section 129C.10, is amended to read:

129C.10 [MINNESOTA SCHOOL AND RESOURCE CENTER FOR THE ARTS EDUCATION.]

Subdivision 1. [GOVERNANCE.] The board of the Minnesota school and resource center for the arts education shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Subd. 2. [TERMS, COMPENSATION, AND OTHER.] The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. A member may serve not more than two consecutive terms.

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota school and resource center for the arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center.

(c) The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance.

(d) The board may establish or coordinate evening, continuing

education, extension, and summer programs through the resource center for teachers and pupils.

(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a pilot interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990;

(2) (1) intensive arts seminars for one or two weeks for 9th and 10th to 12th grade pupils;

(3) (2) summer arts institutes for pupils in grades 9 to 12;

(4) (3) artist mentor and extension programs in regional sites; and

(5) (4) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota school and resource center for the arts and any additional facilities related to the school, including the authority to lease a temporary facility education and related facilities.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) (h) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) (i) The board may request the commissioner of education for assistance and services.

(k) (j) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the arts high school, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the arts high school.

(m) (k) The board may provide for transportation of pupils to and from the school and resource center for the arts for all or part of the school year education, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school and resource center for the arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) (l) The board may provide room and board for its pupils.

(o) (m) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Subd. 3a. [ARTS HIGH SCHOOL RESOURCE CENTER FOR ARTS EDUCATION FUND APPROPRIATION.] There is established in the state treasury an arts high school a resource center for arts education fund. All money collected by the board shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

Subd. 4. [EMPLOYEES.] (a)(1) The board shall appoint a director of the school and resource center for the arts education who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the resource center who shall serve in the unclassified service.

(3) (2) The board shall employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no

licensure exists for the subject area or discipline for which the chair is hired.

(4) (3) The board may employ other necessary employees, upon recommendation of the director.

(5) (4) The board shall employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the school and rules regarding the operation of the school and resource center, including transportation of its pupils. Rules covering admission and discharge are governed by chapter 14. Rules regarding the operation of the school are not governed by chapter 14.

(b) Proceedings concerning admission to or discharge from the school, a pupil's program at the school, and a pupil's progress at the school are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Subd. 5. [RESOURCE CENTER.] The resource center shall offer programs that are directed at improving arts education in elementary and secondary schools throughout the state. The programs offered shall include at least summer institutes offered to pupils in various regions of the state, in-service workshops for teachers, and leadership development programs for teachers. The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PRO-

VIDING SPACE.] Public post-secondary institutions shall provide space for programs offered by the Minnesota school and resource center for the arts education at no cost to the Minnesota school and resource center for the arts education to the extent that space is available at the public post-secondary institutions.

Sec. 4. [INSTRUCTION TO REVISOR.]

The revisor of statutes is requested to change the name of Minnesota Statutes, chapter 129C, from "Minnesota School and Resource Center for the Arts" to "Minnesota Resource Center for Arts Education."

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

The approved complement is:

	1990	1991
State	260.5	260.5
Federal	128.1	129.1
Other	28.1	28.1
Total	416.7	417.7

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

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the house education finance division and the senate education funding division.

Subd. 2. [EDUCATIONAL SERVICES.]

\$7,447,000 1990

\$7,454,000 1991

\$21,000 each year is from the trunk highway fund.

\$100,000 each year is from the alcohol-impaired driver account.

The federal complement of the community education section is increased by 3.0.

The federal complement of the institutional approval section recognizes a reduction of 0.3 from the 1989 base.

The state complement of the equal educational opportunities section is reduced by 0.5 and the federal complement for the section recognizes a reduction of 1.0 from the 1989 base.

The state complement of the Indian education section is increased by 4.0 and the federal complement recognizes a reduction of 4.0 from the 1989 base.

\$245,000 each year is for the secondary vocational student organization center.

The state complement of the assessment section is increased by 4.5 and the federal complement recognizes a reduction of 2.5 from the 1989 base.

One complement in the curriculum services section is transferred from the public health fund to the general fund.

The federal complement of the curriculum services section is increased by 2.0.

The federal complement of the special education section is increased by 1.0 in 1991.

The state complement includes 2.0 for the office of restructuring and the federal complement includes 3.0 for the office of restructuring.

Subd. 3. [ADMINISTRATION AND FINANCIAL SERVICES.]

\$8,491,000 1990

\$8,496,000 1991

The state complement of the education finance and analysis section is increased by 2.0 for processing pupil enrollment transfers.

The state complement of the education data systems section is

increased by 6.0 in 1990. The federal complement recognizes a reduction of 6.0 from the 1989 base.

\$1,267,000 in 1990 and \$1,270,000 in 1991 are for the education data systems section. \$15,000 each year of these amounts are for the expenses of the ESV computer council. Any unexpended balance remaining in the first year does not cancel and is available for the second year.

The child nutrition section is reduced by \$30,000 each year.

\$14,000 each year is for internal audit.

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

The state complement for the executive management section is reduced by 2.0. This reduction includes the position of assistant commissioner for management effectiveness.

The state complement for the administrative support section is increased by 2.5 including 0.5 for affirmative action and 2.0 for publications. The federal complement recognizes a reduction of 3.5 from the 1989 base.

The state complement of the Minnesota academic excellence foundation is increased by 0.5.

\$168,000 each year is for the state board of education. The state complement for the state board is increased by 1.0.

Sec. 6. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated to the department of education for the Faribault Academies:

\$7,123,000 1990

\$7,123,000 1991

\$115,000 each year is for an extended year program.

Any unexpended balance in the first year does not cancel and is available for the second year.

The approved complement is:

	1990	1991
State	185.6	185.6
Federal	8.0	8.0
Total	193.6	193.6

The state board of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The state board must report material changes to the house education finance division and the senate education funding division.

Sec. 7. [RESOURCE CENTER FOR ARTS EDUCATION APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the resource center for arts education for the fiscal years designated:

\$2,708,000 1990

\$2,708,000 1991

Any unexpended balance from the first year does not cancel and is available the second year.

The approved complement is:

	1990	1991
State	15.0	15.0
Total	15.0	15.0

ARTICLE 13

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures referenced in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity and an aggregate equalized net tax capacity for the various ~~strata~~ classes of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity and the adjusted net tax capacity,

respectively. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such the expense as is necessary therefor to make the determinations. The commissioner of revenue is authorized to may reimburse any county or governmental official for requested services performed in ascertaining such the adjusted gross tax capacity and the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities and adjusted net tax capacities. On or before June 15, annually, the department of revenue shall file its final report on the adjusted gross tax capacities and adjusted net tax capacities established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of mill tax capacity rates. A copy of the adjusted gross tax capacity report so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for proper execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. By January 15, 1985, the commissioner shall report to the chairs of the house tax committee and the senate committee on taxes and tax laws the results of a study which the commissioner shall prepare comparing the 1983 sales ratio study based upon the original 1983 assessment/sales ratio study methodology with the new methodology as provided in clause (b). The 1984 adjusted assessed values which are certified to the commissioner of education shall be computed using the 1983 assessment/sales ratio study methodology unless the 1985 legislature directs otherwise.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity and adjusted net tax capacity of agricultural lands for the calculation of 1987 adjusted gross tax capacities and thereafter adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

Sec. 2. Minnesota Statutes 1988, section 124.38, subdivision 7, is amended to read:

Subd. 7. [MAXIMUM EFFORT DEBT SERVICE LEVY.]
"Maximum effort debt service levy" means the lesser of:

(1) A levy in whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after July 31, 1981 or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as 16 mills a gross tax capacity rate of 13.08 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 16.27 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) In any school district granted a debt service loan before August 1, 1981 or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as 15 mills a gross tax capacity rate of 12.26 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 15.26 percent on the net tax capacity for taxes payable in 1991 and thereafter, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as $5\frac{1}{2}$ mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;

(d) In any school district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the

provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 3. 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.

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

Sec. 4. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] For School districts district levy limitations or authorities expressed in terms of mills and adjusted assessed value, their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to "equalized gross tax capacity rates." for taxes payable in 1989 and 1990 and equalized net tax capacity rates for taxes payable in 1991 and thereafter. For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted gross tax capacities" by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 5. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by statute or the special law, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by statute or special law multiplied by the total assessed valuation of all taxable property subject to the tax as

adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 6. Minnesota Statutes 1988, section 275.125, subdivision 6e, is amended to read:

Subd. 6e. [DESEGREGATION LEVY.] Each year, school district No. 625, St. Paul, may levy an amount not to exceed one mill a gross tax capacity rate of .8 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.02 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 7. Minnesota Statutes 1988, section 275.125, subdivision 6h, is amended to read:

Subd. 6h. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY LEVY.] Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by 1 mill a gross tax capacity rate of .08 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .11 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year.

In addition, in 1987 the district may levy an amount not to exceed the amount raised by .1 mill times the adjusted gross tax capacity of the property in the district for the preceding year for health insurance subsidies for fiscal year 1988. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. An eligible teacher may submit to the school district a copy of receipts for health insurance premiums paid during the previous 12-month period. The school district shall disburse the health insurance premium subsidy to each eligible teacher in a timely and efficient manner. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Sec. 8. Minnesota Statutes 1988, section 275.125, subdivision 6i, is amended to read:

Subd. 6i. [RULE COMPLIANCE LEVY.] Each year a district that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, may levy an amount not to exceed one mill a gross tax capacity rate of .8 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.02 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. Independent school district No. 625, St. Paul, may levy according to this subdivision and subdivision 6e. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 9. 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 a gross tax capacity rate of 10.22 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 12.71 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter 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 levy authorized by section 124.244, subdivision 2, and subdivisions 11c, 12, and 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. 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. 10. Minnesota Statutes 1988, section 275.125, subdivision 9a, is amended to read:

Subd. 9a. [STATUTORY OPERATING DEBT LEVY.] (1) In 1978 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills a gross tax capacity rate of 1.2 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of 1.53 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of 1.5 mills a gross tax capacity rate of 1.2 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of 1.53 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4 equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its

books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2 in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 11. Minnesota Statutes 1988, section 275.125, subdivision 9b, is amended to read:

Subd. 9b. [OPERATING DEBT LEVY.] (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills a gross tax capacity rate of 1.2 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.53 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

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

(3) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivisions 2 and 2a, in that same year.

Sec. 12. Minnesota Statutes 1988, section 275.125, subdivision 9c, is amended to read:

Subd. 9c. [1985 OPERATING DEBT LEVY.] (1) Each year, a

district may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1985, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the amount raised by a levy of 1.5 mills a gross tax capacity rate of 1.2 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.53 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the preceding year. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the general fund of the district as of June 30, 1985. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) A district, if eligible, may levy under this subdivision or subdivision 9b but not both.

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

(4) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2 in that same year.

Sec. 13. Minnesota Statutes 1988, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL INSTITUTE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision.

(b) A district maintaining a technical institute may levy for its local share of the cost of construction of facilities for the technical institute as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The specific legislative act must require that part of the cost of construction for post-secondary vocational purposes shall be financed by the state and that part of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the technical institute.

(d) The district may levy an amount equal to the local share of the cost of construction for post-secondary vocational purposes, minus the amount of any unappropriated net balance in the district's post-secondary vocational technical building construction fund. A

district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the July 1 before a district certifies the first levy pursuant to this subdivision for the local share of any construction project, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose of the proposed levy, the duration of the proposed levy and the amount of the proposed levy in dollars and mills in terms of the tax capacity rate. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the August 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity terms of the tax capacity rate and in dollars in the first year of the proposed levy.

(f) For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.

(g) A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 14. Laws 1965, chapter 705, as amended by Laws 1975, chapter 261, section 4, and Laws 1980, chapter 609, article 6, section 37, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to two tenths of one mill upon each dollar of the assessed valuation thereof a gross tax capacity rate of .17 percent for taxes payable in 1990 or a net tax capacity rate of .21 percent for taxes payable in 1991 and thereafter upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance

of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee shall not exceed the amount permitted by Minnesota Statutes, Section 465.72.

Sec. 15. Laws 1976, chapter 20, section 4, is amended to read:

Sec. 4. [EXCESS LEVY.] In addition to all other levies permitted by law, in 1976 and each year thereafter, Independent School District No. 625 shall make an additional levy to eliminate its statutory operating debt for the school year ending June 30, 1976 as certified by the legislative auditor pursuant to section 3. Each year the commissioner of education shall certify to the county auditor and Independent School District No. 625 the correct amount of this levy. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills a gross tax capacity rate of 1.23 percent times the adjusted assessed valuation gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.53 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the preceding year as determined by the equalization aid review committee, less any amount necessary for the payment of principal and interest on bonds sold pursuant to section 1. When the cumulative receipts from the levies made pursuant to this section and the earnings in the reserve account established under section 5 equal an amount equal to the statutory operating debt, the levy shall be discontinued.

Sec. 16. Laws 1988, chapter 719, article 5, section 84, is amended to read:

Sec. 84. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "assessed value" or "assessed valuation" wherever they appear in Minnesota Statutes to "gross tax capacity" in Minnesota Statutes 1988 and "net tax capacity" in Minnesota Statutes 1989 Supplement and subsequent editions of the statutes except section 275.011, and except in sections of Minnesota Statutes amended in this act. The revisor of statutes shall change the words "mill rate" wherever they appear in Minnesota Statutes to "tax capacity rate" in Minnesota Statutes 1988 and subsequent editions of the statutes except section 275.011.

Sec. 17. [CONVERSION OF EXISTING REFERENDUM LEVIES.]

The department of education shall convert the referendum levy

authority existing under Minnesota Statutes, section 124A.03, for 1988 taxes payable in 1989, for future years, as follows:

The tax capacity rate equals the rate determined by dividing the district's maximum levy under Minnesota Statutes, section 124A.03, for 1988 taxes payable in 1989 by the district's 1987 net tax capacity. A district's maximum levy for all subsequent years for which the levy is authorized equals the amount provided by the tax capacity rate applied to the net tax capacity for the year preceding the year the levy is certified.

However, if a district's levy is limited to a dollar amount, the maximum levy under Minnesota Statutes, section 124A.03, must not exceed the dollar amount.

Sec. 18. [ADDITIONAL CONVERSION PROCEDURES.]

For a referendum levy authorized after December 1, 1988, and before the effective date of article 1, section 5, and section 16 of this article, the department of education shall convert the approved levy amount to the appropriate net tax capacity rate. Levy amounts approved prior to the effective date of this act are validated.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, sub-

division 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 372 and 654 were read for the second time.

MOTIONS AND RESOLUTIONS

Kalis moved that S. F. No. 852 be recalled from the Committee on Transportation and be re-referred to the Committee on Appropriations. The motion prevailed.

Pappas moved that H. F. No. 222 be returned to its author. The motion prevailed.

Anderson, G., moved that H. F. No. 1747 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 827:

Stanis; Munger; Johnson, R.; Rukavina and Marsh.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, May 8, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Monday, May 8, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

