

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 22, 1990

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

Prayer was offered by Father Ralph Zimmerman, St. Mary's Catholic Church, Melrose, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Cooper and Simoneau were excused.

Dille was excused until 3:25 p.m. Osthoff was excused until 3:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Valento moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2480, 274, 596, 1025, 1463, 1860, 1890, 1908, 2027, 2064, 2118, 2218, 2367, 2373, 2382, 2457, 2652, 2656, 2658, 2678, 2695, 2706, 2709, 2735, 2099, 2351, 2343, 1913, 1928 and 2374 and S. F. Nos. 838, 1851, 1897, 2046, 1670, 1698, 1879, 1927, 1980, 2092, 2090, 2172, 1920, 1983, 2039, 772, 2079, 1162, 2267, 2381, 2424, 2119, 2373, 2383, 2216, 2224, 2302, 1686, 1752, 1822, 2115, 2159, 2354, 1726, 1739, 1768, 2179, 2127, 2208, 2281, 1150, 1968, 2229, 1729, 1886, 2048, 1870, 1691, 1692 and 1852 have been placed in the members' files.

S. F. No. 1150 and H. F. No. 1439, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 1150 be substituted for H. F. No. 1439 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1670 and H. F. No. 2092, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 1670 be substituted for H. F. No. 2092 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1698 and H. F. No. 2168, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No.

1698 be substituted for H. F. No. 2168 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1729 and H. F. No. 1860, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sviggum moved that the rules be so far suspended that S. F. No. 1729 be substituted for H. F. No. 1860 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1752 and H. F. No. 2064, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brown moved that the rules be so far suspended that S. F. No. 1752 be substituted for H. F. No. 2064 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1870 and H. F. No. 2171, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Price moved that the rules be so far suspended that S. F. No. 1870 be substituted for H. F. No. 2171 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1879 and H. F. No. 1939, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kinkel moved that the rules be so far suspended that S. F. No. 1879 be substituted for H. F. No. 1939 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1968 and H. F. No. 2099, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 1968 be substituted for H. F. No. 2099 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1983 and H. F. No. 2313, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Omman moved that the rules be so far suspended that S. F. No. 1983 be substituted for H. F. No. 2313 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2424 and H. F. No. 2572, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 2424 be substituted for H. F. No. 2572 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2302 and H. F. No. 2528, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tunheim moved that the rules be so far suspended that S. F. No. 2302 be substituted for H. F. No. 2528 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2383 and H. F. No. 2683, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bertram moved that the rules be so far suspended that S. F. No. 2383 be substituted for H. F. No. 2683 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2267 and H. F. No. 2397, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelly moved that the rules be so far suspended that S. F. No. 2267 be substituted for H. F. No. 2397 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2229 and H. F. No. 2041, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Scheid moved that the rules be so far suspended that S. F. No. 2229 be substituted for H. F. No. 2041 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2172 and H. F. No. 2299, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 2172 be substituted for H. F. No. 2299 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2127 and H. F. No. 2382, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 2127

be substituted for H. F. No. 2382 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2092 and H. F. No. 2318, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Uphus moved that the rules be so far suspended that S. F. No. 2092 be substituted for H. F. No. 2318 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2090 and H. F. No. 2266, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No. 2090 be substituted for H. F. No. 2266 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2048 and H. F. No. 2685, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pelowski moved that the rules be so far suspended that S. F. No. 2048 be substituted for H. F. No. 2685 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2281 and H. F. No. 2384, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rice moved that S. F. No. 2281 be substituted for H. F. No. 2384 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1897 and H. F. No. 2189, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bauerly moved that S. F. No. 1897 be substituted for H. F. No. 2189 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1980 and H. F. No. 2187, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 1980 be substituted for H. F. No. 2187 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1920 and H. F. No. 1870, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

McEachern moved that S. F. No. 1920 be substituted for H. F. No. 1870 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2119 and H. F. No. 2078, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dorn moved that S. F. No. 2119 be substituted for H. F. No. 2078 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2224 and H. F. No. 2346, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Trimble moved that S. F. No. 2224 be substituted for H. F. No. 2346 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2046 and H. F. No. 2277, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Pappas moved that S. F. No. 2046 be substituted for H. F. No. 2277 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1726 and H. F. No. 2132, which had been referred to the

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

Greenfield moved that S. F. No. 1726 be substituted for H. F. No. 2132 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1927 and H. F. No. 2011, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Price moved that S. F. No. 1927 be substituted for H. F. No. 2011 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1739 and H. F. No. 2083, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Skoglund moved that S. F. No. 1739 be substituted for H. F. No. 2083 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2179 and H. F. No. 2250, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hausman moved that S. F. No. 2179 be substituted for H. F. No. 2250 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2079 and H. F. No. 2219, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2079 be substituted for H. F. No. 2219 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2373 and H. F. No. 2448, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bishop moved that S. F. No. 2373 be substituted for H. F. No. 2448 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2381 and H. F. No. 2608, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2381 be substituted for H. F. No. 2608 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2159 and H. F. No. 2418, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Otis moved that S. F. No. 2159 be substituted for H. F. No. 2418 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2039 and H. F. No. 2621, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kalis moved that S. F. No. 2039 be substituted for H. F. No. 2621 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2208 and H. F. No. 2367, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 2208 be substituted for H. F. No. 2367 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1930, A bill for an act relating to health; authorizing the creation of a technical advisory task force for emergency dispatch services; requiring the submission of a multidisciplinary report on training needs of emergency dispatchers operating within 911 systems.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2420, A bill for an act relating to traffic safety; allowing impoundment of license plates by administrative action for repeat violations of the driving while intoxicated provisions; amending Minnesota Statutes 1988, section 168.041, subdivision 3a, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PLATE IMPOUNDMENT BY ADMINISTRATIVE ACTION

Section 1. Minnesota Statutes 1988, section 168.041, subdivision 3, is amended to read:

Subd. 3. Except as otherwise provided in subdivision 3a section 168.042, if a person is convicted of an offense that makes mandatory the revocation of the person's driver's license, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require the registration plates and registration certificate of any motor vehicle owned by the person or any motor vehicle registered in the person's name to be surrendered to the court.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 4a, 5, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 3. Minnesota Statutes 1988, section 168.041, subdivision 8, is amended to read:

Subd. 8. Nothing contained in this section or section 168.042 is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which motor vehicle taxes must be paid.

Sec. 4. Minnesota Statutes 1988, section 168.041, subdivision 10, is amended to read:

Subd. 10. "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is involved in a violation under subdivision 3a, leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less.

Sec. 5. [168.042] [ADMINISTRATIVE IMPOUNDMENT OF REGISTRATION PLATES FOR ALCOHOL-RELATED DRIVER'S LICENSE REVOCATIONS.]

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

(b) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the violation occurred.

(c) "Violation" means a violation of section 169.123 or an impaired driving conviction as defined in section 169.121, subdivision 3, that results in the revocation of a person's driver's license or driving privileges, and also includes an alcohol-related license revocation from another state.

Subd. 2. [VIOLATION AND ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when a person's driver's license or driving privileges are revoked for a third violation within five years or a fourth or subsequent violation within ten years. The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by or registered or leased in the name of the violator, including vehicles registered jointly or leased in the names of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Subd. 3. [NOTICE OF IMPOUNDMENT.] An impoundment order is effective when the commissioner or a peace officer acting on behalf of the commissioner notifies the violator of the intent to

impound and the order of impoundment. If the registered owner is not the violator, the commissioner shall notify the registered owner of the impoundment. The notice must advise the violator of the duties and obligations set forth in subdivision 6 and of the right to obtain administrative and judicial review. The notice must also advise the violator and the registered owner who is not the violator of the procedure and eligibility criteria for obtaining special registration plates under subdivision 12. The notice to the registered owner who is not the violator must also include the procedure to obtain new registration plates under subdivision 8. If mailed, the notice and order of impoundment is deemed received three days after mailing to the last known address of the violator or the registered owner.

Subd. 4. [PEACE OFFICER AS AGENT FOR NOTICE OF IMPOUNDMENT.] On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation under section 169.123 shall also serve a notice of intent to impound and an order of impoundment if the violation is the third violation within five years or the fourth or subsequent violation within ten years. If the vehicle involved in the violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.

Subd. 5. [TEMPORARY PERMIT.] If the vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for seven days when the officer issues the notices under subdivision 4. If the vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Subd. 6. [VEHICLES SUBJECT TO IMPOUNDMENT ORDERS.] Within seven days after issuance of the impoundment notice, a person who receives a notice of impoundment and an impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the state patrol, along with a copy of the impoundment order. A law enforcement agency receiving registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the

commissioner shall also include a copy of the impoundment order. If any person fails to surrender registration plates as required by this subdivision, the commissioner shall direct a peace officer to order the person to surrender the plates to the officer.

Subd. 7. [VEHICLE NOT OWNED BY THE VIOLATOR.] A violator may file a sworn statement with the commissioner within seven days of the issuance of an impoundment order stating any material information relating to the impoundment order, including that the vehicle has been sold or destroyed, and supplying the date, name, location, and address of the person or entity that purchased or destroyed the vehicle. The commissioner shall rescind the impoundment order if the violator shows that the impoundment order was not properly issued.

Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order if a person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement that the person:

(1) is the registered owner of the vehicle from which the plates have been impounded under this section;

(2) is the current owner and possessor of the vehicle used in the violation;

(3) was not a passenger in the vehicle at the time of the violation of section 169.121 or 169.129; and

(4) knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license.

(b) If the order is rescinded, the owner shall receive new registration plates at no cost if the plates were seized and destroyed.

Subd. 9. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner. On receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates to the registered owner of the vehicle if the registered owner's license or driving

privileges were not revoked under section 169.123 or as a result of an impaired driving conviction as defined in section 169.121, subdivision 3.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b.

Subd. 10. [PETITION FOR JUDICIAL REVIEW.] (a) Within 30 days following receipt of a notice and an order of impoundment under this section, a person may petition the court for review. The petition must include the petitioner's date of birth, driver's license number, and date of the violation. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169.123, subdivision 5c.

(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169.123, subdivisions 5c and 6, and shall take place at the same time as any judicial review of the person's license revocation under section 169.123. The filing of the petition shall not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing.

(c) In addition to the issues described in section 169.123, subdivision 5c, the scope of a hearing under this subdivision is limited to:

(1) whether the violator owns, is the registered owner, possesses, or has access to the vehicle used in the violation; and

(2) whether a member of the violator's household has a valid driver's license, the violator or registered owner has a limited license issued under section 171.30, the registered owner is not the violator and the registered owner has a valid or limited driver's license, or a member of the registered owner's household has a valid driver's license.

(d) In a hearing under this subdivision, the following shall be admissible in evidence:

(1) certified copies of the violator's driving record; and

(2) certified copies of vehicle registration records bearing the violator's name.

Subd. 11. [RESCISSION OF REVOCATION AND ISSUANCE OF NEW PLATES.] If the driver's license revocation that is the basis for an impoundment order is rescinded, the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation.

Subd. 12. [ISSUANCE OF SPECIAL REGISTRATION PLATES.] A violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. The commissioner may authorize the issuance of special plates if:

(1) a member of the violator's household has a valid driver's license;

(2) the violator or registered owner has a limited license issued under section 171.30;

(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license; or

(4) a member of the registered owner's household has a valid driver's license.

The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested.

Subd. 13. [SALE OF VEHICLE SUBJECT TO IMPOUNDMENT ORDER.] A registered owner may not sell a motor vehicle during the time its registration plates have been ordered impounded or during the time its registration plates bear a special series number, unless:

(1) the sale is for a valid consideration;

(2) the transferee does not reside in the same household as the registered owner; and

(3) all elements of section 168A.10 are satisfied. The registrar may then transfer the title to the new owner upon proper application and issue new registration plates.

Subd. 14. [MISDEMEANOR OFFENSES.] A person is guilty of a misdemeanor who:

(1) fails to comply with an impoundment order under this section;

(2) files a false statement under subdivision 7 or 8;

(3) operates a motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under this section; or

(4) fails to notify the commissioner of the impoundment order when requesting new plates.

Sec. 6. Minnesota Statutes 1989 Supplement, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation or disqualification pursuant to this section, a person may petition the court for review, unless the person is entitled to review under section 171.166. The petition shall be filed with the district court administrator in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the full name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, and date of the offense, ~~and a copy of the notice of revocation or disqualification.~~ The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, disqualification, or denial and state the facts underlying each claim asserted.

The filing of the petition shall not stay the revocation, disqualification, or denial. The reviewing court may order a stay of the balance of the revocation or disqualification if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, section 168.041, subdivisions 3a and 4a, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 are effective January 1, 1991.

ARTICLE 2
CRIMINAL VEHICULAR HOMICIDE

Section 1. Minnesota Statutes 1989 Supplement, section 609.21, is amended to read:

609.21 [CRIMINAL VEHICULAR OPERATION HOMICIDE AND INJURY.]

Subdivision 1. [RESULTING IN DEATH CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle as defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or
- (5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular ~~operation~~ homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [RESULTING IN INJURY GREAT BODILY HARM.] Whoever causes great bodily harm to another, ~~as defined in section 609.02, subdivision 8,~~ not constituting attempted murder or assault, as a result of operating a motor vehicle defined in section 169.01, ~~subdivision 2, or an aircraft or watercraft,~~

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in injury great bodily harm and may be sentenced to imprisonment for not more than five years or the to payment of a fine of not more than \$10,000, or both.

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm, as defined in section 609.02, subdivision 8, to an unborn child who is subsequently born alive, as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [DEFINITION.] For purposes of this section, "motor vehicle" has the meaning given in section 609.52, subdivision 1.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1990, and applies to crimes committed on or after that date.

ARTICLE 3

OPEN BOTTLE LAW

Section 1. Minnesota Statutes 1988, section 169.122, subdivision 2, is amended to read:

Subd. 2. No person shall have in possession ~~on the person~~ while in a private motor vehicle upon a public highway, any bottle or receptacle containing intoxicating liquor or nonintoxicating malt liquor which has been opened, or the seal broken, or the contents of which have been partially removed. For purposes of this section, "possession" means either that the person had actual possession of the bottle or receptacle or that the person exercised dominion and control over the bottle or receptacle. This subdivision does not apply to a bottle or receptacle that is in the trunk of the vehicle if it is equipped with a trunk, or that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1990, and applies to violations occurring on or after that date.

ARTICLE 4

EXPANDED DWI SANCTIONS FOR REPEAT OFFENDERS

Section 1. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 1a, is amended to read:

Subd. 1a. [REFUSAL TO SUBMIT TO TESTING; CRIME.] It is a crime for any person to refuse to submit to a chemical test of the person's blood, breath, or urine under section 169.123 if the person's driver's license has been suspended, revoked, canceled, or denied once within the past five years, or two or more times within the past ten years, under any of the following: this section, or; section 169.123, 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3).

Sec. 2. Minnesota Statutes 1988, section 169.121, is amended by adding a subdivision to read:

Subd. 3c. [NOTICE OF ENHANCED PENALTIES.] When a court sentences a person for a misdemeanor violation of this section, it shall inform the defendant of the statutory provisions that provide for enhancement of criminal penalties for repeat violators. The failure of a court to provide this information to a defendant does not affect the future applicability of these enhanced penalties to that defendant.

Sec. 3. Minnesota Statutes 1988, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension or revocation (1) because the person drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while the person had an alcohol concentration of 0.10 or more or (2) because the person refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority, is guilty of a gross misdemeanor, or denial under any of the following: section 169.121, 169.123, 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3). Jurisdiction over prosecutions under this section is in the county court.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective August 1, 1990, and apply to violations occurring on or after that date.

ARTICLE 5

AIRCRAFT OPERATION WHILE INTOXICATED PROVISIONS

Section 1. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) A person who violates subdivision 1 or an ordinance in conformity with it is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates

subdivision 1 or an ordinance in conformity with it within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions.

For purposes of this paragraph, a prior impaired driving conviction is a prior conviction under this section, section 84.91, subdivision 1, paragraph (a), 169.129, 361.12, subdivision 1, paragraph (a), 609.21, subdivision 1, clause (2) or (3), 609.21, subdivision 2, clause (2) or (3), 609.21, subdivision 3, clause (2) or (3), 609.21, subdivision 4, clause (2) or (3), section 4, or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(c) A person who violates subdivision 1a is guilty of a gross misdemeanor.

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

Sec. 2. Minnesota Statutes 1988, section 360.075, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] Every person who:

(1) Operates an aircraft either on or over land or water in this state without the consent of the owner of such aircraft; or

(2) Operates, or attempts to operate, any aircraft in this state while under the influence of intoxicating liquor or of any narcotic or other habit-forming drug; or

(3) Knowingly permits any individual who may be under the influence of intoxicating liquor or of any narcotic or other habit-forming drug to operate any aircraft owned by or in the custody or control of such person; or

(4) Operates aircraft while in the possession of any federal license, certificate, or permit or any certificate of registration issued by the transportation department of this state, or displays, or causes or permits to be displayed, such federal license, certificate, or permit or

such state certificate of registration, knowing either to have been canceled, revoked, suspended, or altered; or

(5) (3) Lends to, or knowingly permits the use of by, one not entitled thereto of any federal airman's or aircraft license, certificate, or permit, or any state airman's or aircraft certificate of registration issued to that person; or

(6) (4) Displays or represents as the person's own any federal airman's or aircraft license, certificate, or permit or any state airman's or aircraft certificate of registration not issued to that person; or

(7) (5) Tampers with, climbs upon or into, makes use of, or navigates any aircraft without the knowledge or consent of the owner or person having control thereof, whether while the same is in motion or at rest, or hurls stones or any other missiles at aircraft, or the occupants thereof, or otherwise damages or interferes with the same, or places upon any portion of any airport any object, obstruction, or other device tending to injure aircraft or parts thereof; or

(8) (6) Uses a false or fictitious name, gives a false or fictitious address, knowingly makes any false statement or report, or knowingly conceals a material fact, or otherwise commits a fraud in any application or form required under the provisions of sections 360.011 to 360.076, or by any rules or orders of the commissioner; or

(9) (7) Operates any aircraft in such a manner as to indicate either a willful or a wanton disregard for the safety of persons or property; or

(10) (8) Carries on or over land or water in this state in an aircraft other than a public aircraft any explosive substance except as permitted by the Federal Explosives Act, being the Act of October 6, 1917, as amended by Public Law Number 775, 77th Congress, approved November 24, 1942; or

(11) (9) Discharges a gun, pistol, or other weapon in or from any aircraft in this state except as the hunting of certain wild animals from aircraft may be permitted by other laws of this state, or unless the person is the pilot or officer in command of the aircraft or a peace officer or a member of the military or naval forces of the United States, engaged in the performance of duty; or

(12) (10) Carries in any aircraft, other than a public aircraft, any shotgun, rifle, pistol, or small arms ammunition except in the manner in which such articles may be lawfully carried in motor vehicles in this state, or is a person excepted from the provisions of clause (11) (9); or

(13) (11) Engages in acrobatic or stunt flying without being equipped with a parachute and without providing any other occupants of the aircraft with parachutes and requiring that they be worn; or

(14) (12) While in flying over a thickly inhabited area or over a public gathering in this state, engages in trick or acrobatic flying or in any acrobatic feat; or

(15) (13) Except while in landing or taking off, flies at such low levels as to endanger persons on the surface beneath, or engages in advertising through the playing of music or transcribed or oral announcements, or makes any noise with any siren, horn, whistle, or other audible device which is not necessary for the normal operation of the aircraft, except that sound amplifying devices may be used in aircraft when operated by or under the authority of any agency of the state or federal government for the purpose of giving warning or instructions to persons on the ground; or

(16) (14) Drops any object, except loose water, loose fuel, or loose sand ballast, without the prior written consent of the commissioner of transportation and the prior written consent of the municipality or property owner where objects may land; drops objects from an aircraft that endanger person or property on the ground, or drops leaflets for any purpose whatsoever; or

(17) (15) While in flight in an aircraft, whether as a pilot, passenger, or otherwise, endangers, kills or attempts to kill any birds or animals or uses any aircraft for the purpose of concentrating, driving, rallying, or stirring up migratory waterfowl, except as may be permitted by other laws of this state shall be guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1988, section 360.075, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL PENALTIES, CERTAIN VIOLATIONS.] For any violation of subdivisions 1 and 5, section 4, or of any rule issued pursuant to section 360.015, in addition to the penalties provided in this section or section 4, or as a condition to the suspension of a sentence which may be imposed pursuant thereto, the court in its discretion may prohibit the violator from operating an aircraft within the state for such period as it may determine, but not to exceed one year. Violation of the duly imposed prohibition of the court may be punished as a contempt of court. Upon a plea of guilty or conviction under said sections, in any case involving an airman, the court shall issue an order prohibiting the airman from exercising, in the state of Minnesota, the privileges granted to the airman by federal certificate for a period, in the discretion of the court, not to exceed one year, and shall notify the commissioner of any action involving a violation under this section or section 4 by

mailing a report to the commissioner showing the name and address of the violator, the offense charged, the time and place of violation, the plea, the finding of the court or jury, and the penalty imposed.

Sec. 4. [360.0752] [AIRCRAFT OPERATORS UNDER THE INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCES.]

Subdivision 1. [DEFINITION.] As used in this section and section 5, "operate" includes the acts of all crew members with responsibility to operate the aircraft.

Subd. 2. [CRIME.] It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a), (b), and (f);

(d) when the person's alcohol concentration is 0.04 or more;

(e) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;

(f) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate the aircraft; or

(g) within eight hours of having consumed any alcoholic beverage or used any controlled substance.

Subd. 3. [ALLOWING OPERATION.] It is a crime for any person to knowingly permit any individual who is in violation of subdivision 2 to operate any aircraft owned by or in the custody or control of the person.

Subd. 4. [ARREST.] A peace officer may lawfully arrest a person for violation of subdivision 2 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence. The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers pursuant to

sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 2 or any other provision of law.

Subd. 5. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or attempting to operate an aircraft in violation of subdivision 2, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 2, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.04; provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 5, subdivision 4, paragraph (b).

Subd. 6. [CRIMINAL PENALTIES.] (a) A person who violates subdivision 2, clause (g); or 3 is guilty of a misdemeanor.

(b) A person who violates subdivision 2, clauses (a) to (f), is guilty of a gross misdemeanor.

(c) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations shall also be responsible for prosecution of gross misdemeanor violations of this section.

Subd. 7. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe that a person may be violating or has violated subdivision 2, the officer may require the person to provide a sample of the person's breath for a preliminary screening test using a device approved by the commissioner of public safety or the commissioner of transportation for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether to require the tests authorized in section 5, but shall not be used in any court action except to prove that a test was properly

required of a person pursuant to section 5. Following the screening test, additional tests may be required of the person pursuant to the provisions of section 5.

A person who refuses to furnish a sample of the person's breath is subject to the provisions of section 5 unless, in compliance with section 5, the person submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Sec. 5. [360.0753] [TESTING PROCEDURES.]

Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section, the term "peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officers standards and training, who is charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state, and who has full power of arrest, and shall also include the Minnesota state patrol and metropolitan airports commission peace officers, but does not include employees of the department of natural resources.

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who operates or attempts to operate an aircraft in or over this state or over any boundary water of this state consents, subject to the provisions of this section and section 4, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was operating or attempting to operate an aircraft in violation of section 4 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 4;

(2) the person has been involved in an aircraft accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 4;

(4) the screening test was administered and recorded an alcohol concentration of 0.04 or more; or

(5) the officer had probable cause to believe that the person was operating or attempting to operate an aircraft with any amount of alcohol present in the person's body.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine the presence of alcohol or to determine if the person is under the influence of alcohol or a controlled substance;

(2) that if testing is refused, the person will be disqualified from operating an aircraft for a minimum period of one year;

(3) that if a test is taken and the results indicate an alcohol concentration of 0.04 or more or that the person is under the influence of a controlled substance, the person will be subject to criminal penalties and the person may be prohibited from operating an aircraft in this state for up to one year;

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and

(5) that if the person refuses to take a test, the refusal will be offered into evidence against the person at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Subd. 3. [REQUIREMENT OF URINE OR BLOOD TEST.] Notwithstanding subdivision 2, if there is probable cause to believe there is impairment by a controlled substance that is not subject to testing by a breath test, a urine or blood test may be required even after a breath test has been administered. Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered.

Subd. 4. [BREATH TEST USING AN INFRARED BREATH-TESTING INSTRUMENT.] (a) In the case of a breath test administered using an infrared breath-testing instrument, the test shall consist of analyses in the following sequence: one adequate breath sample analysis, one calibration standard analysis, and a second, adequate breath sample analysis.

(b) In the case of a test administered using an infrared breath-testing instrument, a sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

(c) For purposes of this section, when a test is administered using an infrared breath-testing instrument, failure of a person to provide two separate, adequate breath samples in the proper sequence constitutes a refusal.

Subd. 5. [CONSENT OF PERSON INCAPABLE OF REFUSAL NOT WITHDRAWN.] A person who is unconscious or who is otherwise in a condition rendering the person incapable of refusal is deemed not to have withdrawn the consent provided by subdivision 2 and the test may be given.

Subd. 6. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety or the commissioner of transportation.

Subd. 7. [REFUSAL TO PERMIT TEST; CEASE AND DESIST ORDER.] If a person under arrest refuses to permit chemical testing, none shall be given, but the commissioner of transportation, upon the receipt of a certificate of the peace officer that the officer had reasonable and probable grounds to believe the arrested person had been operating or attempting to operate an aircraft in violation of section 4 and that the person had refused to permit the test, shall issue a cease and desist order prohibiting the operation of an aircraft for a period of one year.

Subd. 8. [NOTICE OF CEASE AND DESIST ORDER; REQUEST FOR HEARING.] No cease and desist order under subdivision 7 shall be made until the commissioner notifies the person by certified mail of intention to issue a cease and desist order and allows the

person a 20-day period after the date of receiving the notice to request of the commissioner, in writing, a hearing as herein provided. If no request is filed within the 20-day period, the commissioner may then issue a cease and desist order. However, if a request for hearing is filed, no cease and desist order shall be made until final judicial determination resulting in an adverse decision to the person.

Subd. 9. [HEARING.] The hearing shall be before a district court in the county where the arrest occurred, unless there is agreement that the hearing may be held in some other county. The hearing shall be recorded and proceed as in a criminal matter, without the right of trial by jury, and its scope shall cover the issues of whether the peace officer had reasonable and probable grounds to believe the person was operating or attempting to operate an aircraft in violation of section 4; whether the person was lawfully placed under arrest; whether the person refused to permit the test, and if the person refused whether the person had reasonable grounds for refusing to permit the test; and whether at the time of request for the test the peace officer informed the person that the right to fly might be denied if the person refused to permit the test and of the right to have additional tests made by someone of the person's own choosing. The court shall order either that the denial be rescinded or sustained and refer the order to the commissioner of transportation for further action.

Subd. 10. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's privilege to operate an aircraft in this state has been denied, the commissioner shall give information in writing of the action taken to the appropriate federal authorities and any state in which the nonresident operates an aircraft or has a license to operate an aircraft.

Sec. 6. [REPEALER.]

Minnesota Statutes 1988, sections 360.075, subdivision 7; and 360.0751, are repealed."

Delete the title and insert:

"A bill for an act relating to traffic safety; providing for administrative impoundment of license plates of vehicles owned by repeat violators of laws relating to driving while intoxicated; providing for issuance of special plates to certain registered owners and certain members of the violator's household; requiring peace officers to serve a notice of intent to impound when serving a notice of intent to revoke the violator's driver's license; providing for administrative and judicial review of impoundment orders; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; reclassifying the crime of

"criminal vehicular operation resulting in death" as "criminal vehicular homicide"; expanding the crime of criminal vehicular operation to include repeat DWI violators who negligently cause injury or death while having an alcohol concentration of 0.07 or more; removing requirement that negligence be proven for conviction of criminal vehicular operation if driver's alcohol concentration was 0.10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; prohibiting operation of an aircraft while operator is under the influence of alcohol or a controlled substance; providing for testing for alcohol or controlled substance in aircraft operator and requiring testing under certain conditions; implying consent of aircraft operator to test for alcohol or controlled substance; regulating testing; providing for hearing and appeal; providing penalties; amending Minnesota Statutes 1988, sections 168.041, subdivisions 3, 8, and 10; 169.121, by adding a subdivision; 169.122, subdivision 2; 169.129; and 360.075, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, sections 168.041, subdivision 4; 169.121, subdivisions 1a and 3; 169.123, subdivision 5c; and 609.21; proposing coding for new law in Minnesota Statutes, chapters 168 and 360; repealing Minnesota Statutes 1988, sections 168.041, subdivisions 3a and 4a; 360.075, subdivision 7; and 360.0751."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2651, A bill for an act relating to bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; and 16A.672, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16A.631; and 16A.641, subdivision 7; repealing Minnesota Statutes 1988, section 16A.651.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS FOR CAPITAL IMPROVEMENTS.]

The dollar amounts in the column marked "APPROPRIATIONS" are appropriated from the state bond proceeds fund, or other named fund, to the state officials or agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

COMMUNITY COLLEGES	\$ 23,390,000
STATE UNIVERSITIES	27,250,000
TECHNICAL COLLEGES	25,488,000
UNIVERSITY OF MINNESOTA	44,112,000
STATE ACADEMIES FOR THE BLIND AND DEAF	360,000
MAXIMUM EFFORT SCHOOL LOAN PROGRAM	36,630,000
SUPREME COURT	2,500,000
ADMINISTRATION	15,131,000
NATURAL RESOURCES	23,225,000
MINNESOTA ZOOLOGICAL GARDEN	1,028,000
POLLUTION CONTROL AGENCY	43,930,000
OFFICE OF WASTE MANAGEMENT	4,000,000
TRADE AND ECONOMIC DEVELOPMENT	11,550,000
MINNESOTA AMATEUR SPORTS COMMISSION	2,300,000
MILITARY AFFAIRS	950,000
TRANSPORTATION	19,774,000
PUBLIC SAFETY	830,000
MINNESOTA HISTORICAL SOCIETY	3,725,000
HUMAN SERVICES	23,649,000
CORRECTIONS	15,156,000
JOBS AND TRAINING	1,000,000
MINNESOTA VETERANS HOME BOARD	2,567,000
HEALTH	1,526,000
BOND SALE EXPENSES	318,000
TOTAL	330,389,000
General Fund	2,800,000
Reinvest in Minnesota Resources Fund	4,300,000
Trunk Highway Fund	11,018,000
Maximum Effort School Loan Fund	36,630,000
Transportation Fund	7,306,000
Airport Fund	50,000
Bond Proceeds Fund	268,285,000

APPROPRIATIONS

Sec. 2. COMMUNITY COLLEGES

Subdivision 1. (a) To the commissioner of administration for the purposes specified in this section

\$ 23,390,000

(b) Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium.

(c) The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(d) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Brainerd Community College

5,398,000

This appropriation is to construct and remodel space for drama, child care, campus center, physical education, laboratories, biology, a library, classrooms, an art studio and classroom, offices, parking, and storage areas.

Subd. 3. Cambridge Center

420,000

This appropriation is to prepare working drawings for classrooms, laboratories, offices, and other necessary purposes. This appropriation is available only after receipt of a gift of land upon which the structure is to be located.

Subd. 4. Fergus Falls Community College

3,629,000

This appropriation is to construct and remodel space for a campus center, child care, laboratories, offices, administration and counseling, classrooms,

continuing education, physical education, parking, and storage.

Subd. 5. Lakewood Community College

600,000

This appropriation is to construct and remodel space for a child care center.

Subd. 6. Willmar Community College

3,393,000

This appropriation is to construct and remodel space for laboratories, a library, offices, parking, heating/air systems, fine arts, and classroom areas.

Subd. 7. Systemwide

8,800,000

This appropriation is for miscellaneous capital improvements at community colleges statewide, including roofs, hazardous material abatement, repair or construction of parking lots, electrical, mechanical, and other physical plant repairs and betterments. Up to \$650,000 of this appropriation may be used to construct additional parking space at the Normandale campus.

Subd. 8. Land Acquisition

1,150,000

This appropriation is to the state board for community colleges to acquire land for Lakewood, North Hennepin, and Brainerd community colleges.

Sec. 3. STATE UNIVERSITIES

Subdivision 1. (a) To the state university board for the purposes specified in this section

27,250,000

(b) Notwithstanding Minnesota Statutes, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university build-

ings, structures, and improvements provided for in this section.

(c) During the biennium, the state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

(d) Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

(e) The board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(f) Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium.

(g) Notwithstanding other law, during the biennium the state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of

the senate finance committee and the house appropriations committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. Should either chair object to the proposed purchase, then further action must be suspended pending presentation of the proposal to the legislature for consideration.

(h) During the biennium, the state university board may pay relocation costs, at its discretion, when acquiring property.

(i) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Bemidji Campus		5,210,000
(a) Heating plant rehabilitation	4,340,000	
(b) Emergency generator system	870,000	
Subd. 3. Mankato Campus		10,720,000
(a) Heating plant rehabilitation	3,720,000	
(b) Construct Phase I addition to Trafton Hall	7,000,000	
Subd. 4. Metropolitan Campus		6,250,000

Remodel existing building, purchase property, remove asbestos, meet code requirements, and convert heating plant on Dayton's Bluff site

Subd. 5. Moorhead Campus

The appropriation in Laws 1987, chapter 400, section 19, subdivision 4, item (c), may be used to acquire land adjacent to, or in the vicinity of, Moorhead State University as needed to develop

the campus, and may be used to construct parking spaces on the campus.

Subd. 6. This appropriation is for capital improvements on state university campuses statewide

3,320,000

(a) Abate hazardous materials

2,105,000

(b) Roof replacements on the Bemidji, Moorhead, St. Cloud, Southwest, and Winona campuses

1,215,000

Subd. 7. This appropriation is to acquire land adjacent to or in the vicinity of the St. Cloud campus

1,750,000

Sec. 4. TECHNICAL COLLEGES

Subdivision 1. (a) To the state board of vocational technical education for the purposes specified in this section

\$25,488,000

(b) Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of vocational technical education may approve a request by a local school board to use any unobligated balance in the debt redemption fund to pay the district's share of construction projects authorized in this section.

(c) The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(d) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

(e) Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of vocational technical education must not make

grants to school districts, but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings, structures, and improvements provided for in this section. The state board of vocational technical education may provide grants to school districts for land purchases authorized in this act. The school district must still finance 15 percent of the cost of each project, other than in a joint vocational technical district as defined in Minnesota Statutes, section 136C.60.

(f) During the biennium, the state board of vocational technical education shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

(g) During the biennium, the state board may delegate the authority provided in this section to the campus director for repair and replacement projects with a total cost of less than \$50,000, if the state board determines that the projects can be efficiently managed at the campus level.

(h) Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless

otherwise provided in this act. The state board of vocational technical education may employ appropriate staff to implement this subdivision and may delegate responsibilities to technical college staff.

Subd. 2. For post-secondary vocational technical construction at the technical colleges in the school districts listed in this subdivision:

(a) Independent School District No. 11,
Anoka Technical College

4,333,000

This appropriation is to remodel and construct space for classrooms, warehouse areas, and the main entrance, the reworking of the heating, ventilation, air conditioning, and sprinkling systems and the refacing of the building exterior. The total cost of this project must not exceed \$5,098,000 whether paid from state, local, or federal money.

(b) Independent School District No. 22,
Detroit Lakes Technical College

4,429,000

This appropriation is to remodel and construct space for classrooms, a telecommunications center, child care, laboratories, staff work areas, and parking/site improvements. The total cost of this project must not exceed \$5,211,000 whether paid from state, local, or federal money.

(c) Independent School District No. 709,
Duluth Technical College

2,140,000

This appropriation is to remodel and construct space for a child care development program and center, a sprinkling system, and for exterior wall stabilization and repair. The total cost of this project must not exceed \$2,387,000 whether paid from state, local, or federal money.

(d) Independent School District No.
256, Red Wing Technical College

The appropriation in Laws 1987, chapter 400, section 17, subdivision 2, item (n) may be used for the design and development planning of a new technical college campus.

(e) Independent School District No. 625, St. Paul Technical College

\$289,800 of the unencumbered balance remaining from the appropriation in Laws 1989, chapter 300, section 2, subdivision 3, item (a), may be used for schematic designs for an addition on the present campus.

(f) Independent School District No. 564, Thief River Falls Technical College

2,338,000

This appropriation is to remodel and construct space for classrooms, an airplane hangar, staff work areas, storage, and parking/site work. The total cost of this project must not exceed \$2,751,000 whether paid from state, local, or federal money.

(g) Independent School District No. 861, Winona Technical College

4,666,000

This appropriation is to remodel and construct space for an aviation center, classrooms, laboratories, staff work areas, hangar space, storage and parking/site improvement. The total cost of this project must not exceed \$5,489,000 whether paid from state, local, or federal money.

(h) Joint Vocational Technical District No. 900, Southwestern Technical College

500,000

This appropriation is to construct classrooms, labs, and connecting links between buildings.

(i) Special Intermediate School District No. 917, Dakota County Technical College

1,122,000

This appropriation is to purchase land and construct a decision driving range and truck driving area. The total cost of

this project must not exceed \$1,320,000 whether paid from state, local, or federal money.

(j) Special Intermediate District No. 287, Hennepin Technical College

Special Intermediate School District No. 287, Hennepin Technical College, is authorized to construct classrooms, labs, staff work areas, parking/site work, and make energy modifications. The total cost of the project must not be more than \$1,727,000, paid from local money.

Subd. 3. Statewide

5,760,000

This appropriation is for capital improvement grants to school districts for roofs, parking lots, hazardous material abatement, fuel tank removal, electrical, mechanical, and other physical plant repairs and betterments at technical college campuses.

Subd. 4. Feasibility study

200,000

This appropriation is for the State Board of Vocational Technical Education for a feasibility study of a joint campus for Brainerd Technical College and Brainerd Community College.

Sec. 5. UNIVERSITY OF MINNESOTA

Subdivision 1. (a) To the regents of the University of Minnesota for the purposes specified in this section

44,112,000

(b) The regents shall report to the house appropriations and senate finance committees by January 15 of each year of the biennium on the status of the capital improvement projects in this section.

(c) During the biennium as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a cam-

pus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Morris Campus

3,471,000

Construct addition to student center

Subd. 3. Twin Cities Campuses

40,641,000

(a) Construct Biological Sciences Addition

17,394,000

(b) Remodel Wilson Library

2,080,000

(c) Construct music performance hall addition to Ferguson Hall

5,200,000

This amount must be matched by a minimum of \$2,000,000 from nonstate sources.

(d) Construct addition to and renovate veterinary diagnostic lab

8,467,000

(e) Construct an Integrated Waste Management Facility

7,500,000

(f) Folwell Hall

The appropriations in Laws 1978, chapter 792, section 11, subdivision 2, item (e); and in Laws 1984, chapter 597, section 16, subdivision 2, item (f), to remodel Folwell Hall on the Twin Cities campus of the University of Minnesota may be added to the appropriation in Laws 1987, chapter 400, section 20, subdivision 7, item (l), to remodel Folwell Hall, phase II.

Subd. 4. Systemwide

The regents are requested to fund the capital needs of the agricultural experiment stations from university resources.

Sec. 6. DEPARTMENT OF EDUCATION

Subdivision 1. To the commissioner of education for the purposes specified in this section

360,000

Subd. 2. For the Minnesota state academies for the deaf and blind, Faribault

(a) \$128,000 to upgrade the mechanical systems in the activities building.

(b) \$182,000 to replace windows in Mott Hall and Lauritsen Gymnasium.

(c) \$50,000 to retrofit science laboratories to comply with safety standards for school science facilities.

Sec. 7. OSAKIS SCHOOL DISTRICT

A capital loan in an amount not to exceed \$4,755,000 to independent school district No. 213, Osakis, is approved.

Sec. 8. NEW LONDON-SPICER SCHOOL DISTRICT

A capital loan in an amount not to exceed \$8,577,000 to independent school district No. 345, New London-Spicer, is approved.

Sec. 9. ROSEAU SCHOOL DISTRICT

A capital loan in an amount not to exceed \$9,348,000 to independent school district No. 682, Roseau, is approved.

Sec. 10. SARTELL SCHOOL DISTRICT

A capital loan in an amount not to exceed \$3,194,000 to independent school district No. 748, Sartell, is approved.

Sec. 11. ST. MICHAEL-ALBERTVILLE SCHOOL DISTRICT

A capital loan in an amount not to exceed \$10,756,000 to independent school district No. 885, St. Michael-Albertville, is approved.

Sec. 12. SUPREME COURT

Judicial Building

\$ 2,500,000

This appropriation is to the commissioner of administration, in consultation with the supreme court and the

capitol area architectural and planning board, to complete phase I of the judicial building.

Sec. 13. ADMINISTRATION

Subdivision 1. To the Commissioner of Administration for the purposes in this section

\$15,131,000

Subd. 2. (a) To remove or contain asbestos in state buildings

1,500,000

(b) For parking lot/ramp security and lighting

1,128,000

Notwithstanding any law to the contrary, during the biennium all metered parking on Aurora Avenue between Cedar Street and Constitution Avenue must be made available to the public at all times.

(c) For renovation of the first and second floor office space in the Centennial building

5,000,000

(d) To repair of the ventilation system in the Ford building

150,000

(e) For demolition of the Capitol Square building

750,000

(f) For a public broadcasting equipment grant

703,000

This appropriation is a grant to Thief River Falls technical college for equipment and construction costs associated with a public broadcasting tower.

(g) For the Itasca Center Project

3,100,000

This appropriation is for a grant to Itasca county for construction of the Itasca Center.

(h) The commissioner of administration, in cooperation with the commissioner of finance, shall develop a building classification system for state-owned buildings. Each class shall represent a different quality of building construction. The commissioner of ad-

ministration shall prepare a report on the building classification system to be delivered to the legislature no later than January 15, 1991, with recommendations for incorporating the classification system into the capital budget format and instructions.

Subd. 3. Agency Relocation

2,800,000

This appropriation is to the commissioner of administration from the general fund and is to provide for moving costs and estimated increased rental costs associated with agency relocations and shall not be used for the purchase of furniture related to agency relocations.

Notwithstanding any other law to the contrary, during the biennium in selecting sites for relocations, the commissioner shall place a priority on housing agencies in state-owned buildings whenever possible or when a lease in a non-state-owned facility is necessary, first priority must be given to lease-purchase agreements.

Sec. 14. NATURAL RESOURCES

Subdivision 1. To the commissioner of administration or the commissioner of natural resources, as specified, for the purposes specified in this section

23,225,000

Subd. 2. To the commissioner of natural resources to acquire and to better public outdoor recreational lands and natural areas and capital improvements as specified in this subdivision

18,125,000

(a) To acquire state forest lands in the Richard J. Dorer Memorial Hardwood Forest

500,000

(b) For betterment of state parks according to the management plans required in Minnesota Statutes, chapter 86A

2,000,000

\$350,000 of this appropriation is for renovation of the Tettegouche camp facilities in Tettegouche State Park.

(c) \$100,000 of the \$200,000 appropriated in Laws 1984, chapter 597, section 5, subdivision 4, for the River Bend Nature Center is canceled and reappropriated for betterment projects within Nerstrand Woods State Park.

(d) To acquire and to better state trails 4,600,000

This appropriation is to acquire and to develop the Barnum to Carlton segment of the Willard Munger Trail, the Soo Line Trail, and the Paul Bunyan Trail.

(e) For office consolidation and renovation at the Bemidji regional headquarters 3,000,000

(f) To construct a fish barrier on the outlet of Heron Lake 225,000

(g) For flood plain management for grants under Minnesota Statutes, section 104.11 3,200,000

This appropriation is to be used to match federal funds for projects within the jurisdictions of the city of Chaska, the Bassett Creek Water Management Commission, and the city of Houston. If federal funds are not appropriated for one or more of these projects, this appropriation must be made available for the remaining flood plain management projects.

(h) To acquire and to better public water access sites under Minnesota Statutes, section 97A.141 1,400,000

(i) For phase 1 construction of the International Wolf Center 1,700,000

This appropriation is for a grant to Vermilion community college for construction of phase 1 of the International Wolf Center.

(j) For phase 1 construction of the Kettle River Environmental Learning Center 1,500,000

This appropriation is for a grant to the city of Sandstone for phase 1 construction of the Kettle River Environmental Learning Center.

(k) The commissioner in cooperation with other affected agencies and residential and nonresidential learning center directors shall develop a long-range plan for the development and program coordination of environmental learning centers statewide. The plan must focus on identifying programming needs, geographic areas to locate facilities, capital cost estimates for development and creation of a phased-in implementation strategy. The plan must be completed for presentation to the legislature by January 1, 1992.

Subd. 3. To the commissioner of natural resources for dam safety projects under Minnesota Statutes, section 105.482

800,000

Up to \$300,000 of this appropriation is for repair of Lake Bronson dam.

Subd. 4. For the reinvest in Minnesota program under Minnesota Statutes, sections 40.40 to 40.45

4,300,000

The appropriations in this subdivision are from the reinvest in Minnesota resources fund.

(a) Fish and wildlife habitat

1,500,000

This appropriation is to acquire and to better land for fish and wildlife habitat under the comprehensive fish and wildlife management plan required by Minnesota Statutes, section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this paragraph from the amount appropriated.

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|---|-----------|
| (b) To acquire land in the Savage Fen Scientific and Natural Area | 600,000 |
| (c) For the waterbank program under Minnesota Statutes, section 105.392 | 1,200,000 |
| (d) For fishing pier construction under Minnesota Statutes, section 97A.065, subdivision 3, paragraph (a), clause (2) | 500,000 |
| (e) For critical habitat private sector matching account | 500,000 |

This appropriation is for transfer to the critical habitat private sector matching account.

(f) Notwithstanding any other law, during the biennium easements granted under this act may be permanent or if of limited duration then must be for at least 20 years with provisions for renewal for at least another 20-year period. Highest priority during the biennium must be given to permanent easements consistent with the purposes of this act.

(g) The commissioner, in cooperation with the Minnesota Historical Society and the Chippewa Area Soil and Water Conservation District shall develop a plan for a visitor center at Lac Qui Parle Wildlife Management Area to be located at the historic mission site. This center must include sufficient facilities to accommodate the needs of the Minnesota Historical Society to provide displays and interpretive facilities for the Native American culture and history of the area. The plan must allow for the development of the site in accordance with Minnesota Statutes, chapter 138 and be completed for presentation to the legislature by January 1, 1991.

Sec. 15. MINNESOTA ZOOLOGICAL GARDEN

1,028,000

(a) This appropriation is to the Minnesota zoological garden board for the purposes listed in this section.

(b) \$70,000 is for life safety and health safety improvements.

(c) \$57,000 is for the replacement of the roof on the animal health and research building.

(d) \$32,000 is for roof repairs to the shops building.

(e) \$21,000 is for the replacement of the roof on the vehicle maintenance building.

(f) \$232,000 is for roof repairs to the tropics building.

(g) \$18,000 is for replacement of the roof on the nursery/tiger den.

(h) \$208,000 is for storm sewer installation.

(i) \$390,000 is for expansion of the children's zoo lab and educational facility. An exhibit in the zoo must include *Spheniscus demersus*.

Sec. 16. POLLUTION CONTROL AGENCY

(a) To the commissioner of the pollution control agency for the purposes specified in this section

43,930,000

(b) Construction grants for wastewater treatment facilities

15,750,000

This includes the grants available under Minnesota Statutes, section 116.18, subdivision 3a, paragraph (c).

(c) Combined sewer overflow

14,580,000

Notwithstanding any law to the contrary, the city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

(d) For match to the federal revolving loan program 8,900,000

(e) For supplemental grant adjustments to those municipalities identified in Minnesota Statutes, section 116.18, subdivision 3d. A supplemental grant must not exceed five percent of the total eligible construction costs. 4,700,000

(f) Any money in excess of the amounts required under paragraphs (d) and (e) that are needed for the 20 percent state match to the federal grant, revolving loan program or supplemental grant program may be used for the state independent grants programs under Minnesota Statutes, section 116.18, subdivisions 2a and 3a.

(g) \$100,000 of the \$200,000 appropriated in Laws 1984, chapter 597, section 5, subdivision 4, for the River Bend Nature Center is canceled and reappropriated for a grant to Thomson township for sanitary sewage facilities constructed during fiscal years 1989 through 1991.

(h) During the biennium, the pollution control agency may transfer appropriations to the public facilities authority as necessary for implementation of the programs in this section.

Sec. 17. OFFICE OF WASTE MANAGEMENT

Subdivision 1. (a) To the director of the office of waste management for Capital Assistance Program Grants

\$ 4,000,000

(b) \$2,000,000 of this appropriation is for a state grant to Scott and Carver counties for a joint solid waste compost facility.

(c) \$2,000,000 is for a grant to the East Central Solid Waste Commission for a solid waste compost facility.

(d) Projects receiving grants issued under this subdivision must comply with the requirements contained in Minnesota Statutes, sections 115A.54 to 115A.541.

Sec. 18. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for the purposes specified in this section

\$11,550,000

Subd. 2. For outdoor Recreation

(a) For local Recreation Grants

1,250,000

This appropriation is to acquire and to better recreation open space projects upon application by local units of government and Indian tribes and bands recognized by the federal government. Projects that receive federal grants must be given priority. A grant under this paragraph is not contingent upon the receipt of federal grants. A project may receive grant assistance of up to 50 percent of the total capital cost of the project or, if federal money is used, 50 percent of the local share. A project must not receive grant assistance of more than \$400,000. A local unit of government must not receive more than one grant during each fiscal biennium.

\$625,000 is granted for projects outside the metropolitan area that is defined in Minnesota Statutes, section 473.121, subdivision 2.

Up to ten percent of the appropriation for local recreation grants may be used for acquisition of park land that is currently used as a park and is being leased by a local unit of government. This portion of the appropriation is not subject to the 50 percent local match. A local unit of government receiving a grant under this provision must agree to operate and maintain the park.

(b) For metropolitan Open Space 10,300,000

This appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay only acquisition costs of specific identified parcels, relocation costs, and tax equivalency payments by the metropolitan council and local government units for regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, and as required to be paid by Minnesota Statutes, sections 473.315 and 473.341. No more than \$400,000 may be used for staff and independent services necessary to acquire open space.

(c) Using the authority granted in Minnesota Statutes, section 473.325, the metropolitan council may authorize the issuance of general obligation bonds of the council for the acquisition and betterment of regional recreational open space, in an amount determined by the council, not to exceed a dollar for dollar match of this appropriation. The bonds must be issued as provided in and subject to the dollar limitation of Minnesota Statutes, section 473.325.

Sec. 19. MINNESOTA AMATEUR SPORTS COMMISSION

2,300,000

This appropriation is to the Minnesota amateur sports commission for a national speed skating and bandy center in the city of Roseville. Funding for the project is contingent on the project being located in the city of Roseville and being named in honor of state representative John Rose.

Sec. 20. MILITARY AFFAIRS

950,000

(a) This appropriation is to the adjutant general for asbestos removal at state armories.

(b) The adjutant general shall use the unencumbered balance from the appropriation in Laws 1984, chapter 597, section 9, paragraph (d), for the planning of a new armory and military affairs building in or near the capitol complex. The department of military affairs shall continue to occupy the veterans service building until the department has secured the federal funds and the legislature has acted on a governor's recommendation for funding of a new armory/military affairs building in or near the capitol complex.

(c) Notwithstanding any law to the contrary, during the biennium the removal of fuel tanks at state armories is an allowable expense of the petroleum clean up fund under Minnesota Statutes, chapter 115C.

Sec. 21. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

19,774,000

The appropriations in subdivisions 2 to 13 are from the trunk highway fund.

Subd. 2. For asbestos removal and reinsulation in Minnesota department of transportation facilities statewide

250,000

Subd. 3. To construct Marshall area maintenance building

600,000

Subd. 4. For underground storage tank replacement at Minnesota department of transportation facilities statewide

750,000

Subd. 5. To construct chemical storage sheds at Minnesota department of transportation facilities statewide

405,000

Subd. 6. For land acquisition

145,000

The commissioner may purchase land for truck stations at Roseau, Pine City, Northfield, and Pipestone.

Subd. 7. To construct pole type storage sheds at Minnesota department of transportation facilities statewide	375,000
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Subd. 8. For Detroit Lakes laboratory addition	344,000
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Subd. 9. To construct Brainerd district headquarters building	6,525,000
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Subd. 10. To construct Mahnomen a truck station	420,000
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Subd. 11. To construct St. James truck station	420,000
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Subd. 12. To construct Staples vicinity rest area	224,000
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Subd. 13. For Class II rest area construction at Minnesota department of transportation facilities statewide	310,000
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Subd. 14. For the Bemidji rest area and travel information center	1,650,000
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\$1,400,000 of this amount is from the state bond proceeds fund. \$250,000 of this amount is from the trunk highway fund.

Subd. 15. For planning for airport hangar at St. Paul downtown airport	50,000
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This appropriation is from the state airports fund.

Subd. 16. For the federal aid demonstration program	5,606,000
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This appropriation is from the state transportation fund.

The money needed to pay the principal and interest due and to become due on bonds issued to fund this appropriation is appropriated annually from an account created for the purpose in the state transportation fund. Notwithstanding Minnesota Statutes 1989 Supplement, section 297B.09, subdivi-

sion 1, money must be transferred to the account as necessary from the proceeds of the motor vehicle excise tax after the reductions are made under section 297B.09, subdivision 1, paragraph (e), that would otherwise be transferred from the general fund to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter.

Subd. 17. For the interstate substitution program

1,700,000

This appropriation is from the state transportation fund.

Sec. 22. PUBLIC SAFETY

Subdivision 1. To the commissioner of public safety for the purposes specified in this section

830,000

Subd. 2. For Bureau of Criminal Apprehension building code compliance remodeling

545,000

Subd. 3. To construct three vehicle inspection buildings

285,000

Sec. 23. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section

3,725,000

Subd. 2. For construction assistance

2,200,000

This appropriation is for construction assistance purposes of the State History Center project.

Subd. 3. For historic site stabilization

175,000

This appropriation is for restoration needs of the Split Rock Lighthouse.

Subd. 4. For heritage zone grant-in-aid

150,000

This appropriation is for grant-in-aid purposes of the St. Anthony Falls Her-

itage Preservation Zone. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls interpretive plan for preservation of interpretive components. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 5. For special projects 400,000

This appropriation is available until expended for the following purposes:

(a) \$100,000 for the Leech Lake Band of Chippewa Indians for project planning including preliminary design relating to Battle Point historic site.

(b) \$300,000 for the Red Lake independent school district No. 38 for the Red Lake Tribal Information Center. These funds are to finalize construction documents and operating agreements prior to project bidding.

Subd. 6. For Meighen store complex restoration and reconstruction 50,000

Subd. 7. For the labor history center 750,000

This appropriation is to plan and design the Labor History Center. The society shall develop a program document that defines the space and programming needs of the center including operating expenses. The society shall determine, through a site location assessment study, the location of the center on a site adjacent to the history center and prepare working drawings for the project. The society may acquire surplus highway property with this appropriation to assist in locating the center. If the center is located on the same site as the Minnesota History Center, the center's design must be performed by the State History Center design competition winner. If the Labor History Center is located on a site adjacent to the history center site, the design must be selected

by an architectural competition conducted by the Capitol Area Architectural and Planning Board. If the Labor History Center is located on a site adjacent to the Capitol Area, the site of the center is added to and included in the Capitol Area as defined by Minnesota Statutes, section 15.50, subdivision 2, paragraph (a). Cost estimates for all elements necessary to complete the project must be submitted to the chairs of the agriculture, transportation, and semi-states divisions of the senate finance and house appropriations committees for their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation. The total cost of the project must not exceed \$12,500,000. The project cost may include exhibits and audio-visual devices and systems.

Subd. 8. For site improvements

Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Laws 1981, chapter 4, section 11, are reappropriated to the Minnesota Historical Society for site contamination and access requirements. The Minnesota Historical Society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover new projects.

Sec. 24. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section

\$23,649,000

Subd. 2. Regional Treatment Centers \$7,350,000

(a) At Anoka-Metro Regional Treatment Center, prepare working draw-

ings and begin site preparation for a 204 bed facility for people with mental illness, with construction to begin in 1991. The plan for construction shall include utility infrastructure sufficient to enable the addition of up to 96 beds, if necessary.

(b) At Fergus Falls Regional Treatment Center, develop schematics and working drawings for a new 95 to 125 bed free-standing facility for people with mental illness. Utilize existing support services where practicable. Begin site preparation and demolition of existing buildings required to be removed for progress toward completion. The plan and working drawings must, if possible, be drafted in a manner that will allow for all construction to be completed in totality or in phases. The first phase must provide for completion of all support services.

(c) At Moose Lake Regional Treatment Center, develop schematics and working drawings for a new 197 to 255 bed facility. Select and prepare the site and begin construction of a road to the site. Planning for the facility must include proposals for alternative uses of existing buildings which would be vacated under the proposal, including additional prison space.

(d) Per bed cost estimates for the recapitalization at the Anoka-Metro, Fergus Falls, and Moose Lake Regional Treatment Centers must be comparable and cost-effective. Upon completion of the schematics for Moose Lake and Fergus Falls, and the working drawings for Anoka, the commissioner shall consult with the chairs of the House Appropriations Committee, and the Senate Finance Committee, the Health and Human Services Division of the House Appropriations Committee and the Health and Human Services Division of the Senate Finance Committee before proceeding with additional designs or site preparation.

(e) Recapitalization efforts must be coordinated with the development of a community-based state-operated residential service system for people with mental illness.

Subd. 3. Construct 16 additional state-operated community services for people with developmental disabilities 4,140,000

Subd. 4. Reconfigure roads, walks, and lots at Faribault Regional Treatment Center in conjunction with the Department of Corrections development of the Minnesota Correctional Facility-Faribault 537,000

Subd. 5. Complete the skilled nursing facility remodeling at Brainerd (80 beds), Cambridge (70 beds), and Fergus Falls (70 beds) Regional Treatment Centers 6,872,000

Subd. 6. State-operated community-based service system 200,000

(a) This appropriation is to plan, program, and design state-operated community-based residential services for people with mental illness.

(b) The commissioner shall begin development of a state-operated community-based service system to provide residential services to people with mental illness. The community-based service system must expand the array of services available to people with mental illness. The system should be designed to maximize federal financial reimbursement.

(c) An advisory task force must be appointed by the commissioner to assist in the development of the state-operated community-based residential service system. Membership must include employee union representatives, mental health consumers and their advocates, representatives of the state advisory council on mental health, and established regional treatment center coalitions and local mental health ad-

visory committee members from affected communities.

Subd. 7. State-operated community-based residences	2,700,000
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This appropriation is to plan, design, renovate, or construct 48 to 60 residential service slots in state-operated community-based residences for people with mental illness. Each facility must have no more than 16 beds and must be located in conformance with deconcentration requirements. Before beginning construction, the commissioner shall consult with the chairs of the Health and Human Services Division of the House Appropriations Committee and the Health and Human Services Division of the Senate Finance Committee.

Subd. 8. Construct water line to Cambridge Regional Treatment Center	200,000
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Subd. 9. Remodel, upgrade, and re-equip dietary and kitchen facilities at Ah-Gwah-Ching, Brainerd Human Services Center, and St. Peter Regional Treatment Center	774,000
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Subd. 10. Remodel or upgrade resident living and program areas at St. Peter Regional Treatment Center	450,000
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Subd. 11. Repair and replace roofs at, Faribault, Fergus Falls, and Cambridge Regional Treatment Centers	426,000
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Sec. 25. DEPARTMENT OF CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section	15,156,000
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Subd. 2. Minnesota Correctional Facility - Stillwater	
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(a) Replace locks in cell hall B	594,000
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(b) Convert auditorium building #13 to an education and casework unit and a scaled down mini-auditorium facility	2,706,000
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Subd. 3. Minnesota Correctional Facility – Faribault

Construct phase II of the conversion of a part of the Faribault Regional Center into a medium security correctional facility and remodel or renovate Spruce and Pine buildings

2,058,000

Subd. 4. Minnesota Correctional Facility – St. Cloud

Complete the “Replace Steam/Condensate Lines” Project

224,000

Subd. 5. Minnesota Correctional Facility – Willow River/Moose Lake

Expand and improve the wastewater treatment system

85,000

Subd. 6. Minnesota Correctional Facility – Shakopee

Development of program and schematic plans for a vocational training building, a close custody security cottage, and a medium security cottage

340,000

Subd. 7. Minnesota Correctional Facility – Red Wing

Replace hot water lines from the industrial building throughout the tunnel system of the facility and remove asbestos

402,000

Subd. 8. Minnesota Correctional Facility – Lino Lakes

(a) Expand the production area of the “Q” building

529,000

(b) Replace the emergency power generator

318,000

(c) Construct two medium security cottages

6,695,000

(d) Connect the Lino Lakes Facility to the city water/sewer system

955,000

(e) Direct any remaining funds from the Lino Lakes projects toward the conversion of the current education space in the Stillwater facility

Subd. 9. Systemwide Window replacement and tuckpointing at state correctional facilities throughout the system

250,000

Sec. 26. DEPARTMENT OF JOBS
AND TRAINING

To the commissioner of administration

1,000,000

This appropriation is for construction and renovation costs for the development of two regional job service offices in Minneapolis.

Sec. 27. MINNESOTA VETERANS
HOME BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section

2,567,000

Subd. 2. (a) \$1,165,000 is for the state's contribution to renovate the Minnesota Veterans Home, Hastings, to comply with health, building, and safety codes in buildings 23 and 25 and to replace the roof in building 20. Priority must be given to the use of state money to expand and upgrade the heating and air conditioning systems, install energy efficient windows, replace the roof on building 20 and part of the roof on building 23, and prepare detailed drawings to reconfigure domiciliary rooms in building 23.

(b) \$1,402,000 is for part of the state's contribution to renovate the Minnesota Veterans Home, Minneapolis, to expand, remodel, or alter existing buildings and grounds including accessways and approaches to ensure compliance with health and safety codes and to upgrade the equipment needs of the home. Priority must be given to the use of state funds to construct additional space for nursing care units and feeding and lounge areas on the second, third, and fourth floors of building 17, restore the bridge over Minnehaha

Creek, buy a central standby generator, install pipe insulation in building 10, repair the roof on building 15, construct a walkway between buildings 15 and 17, and buy artwork.

(c) The \$840,000 cumulative unencumbered balance in the appropriations from Laws 1987, chapter 400, section 11, is reappropriated to the commissioner of administration for the rest of the state's contribution under paragraph (b).

(d) The Minnesota Veterans Home Board must apply for the federal share of the projects under paragraphs (a) and (b). The commissioner of administration shall receive the federal share and make the money available to the Veteran's Home Board to spend for completion of the projects.

(e) The Veterans Home Board shall make a special effort to purchase artwork from female artists in greater Minnesota.

(f) The Veterans Home Board must develop options to a tunnel walkway between buildings 10 and 17 and present them to the legislature by January 15, 1991.

Sec. 28. DEPARTMENT OF HEALTH

1,526,000

(a) This appropriation is to the Capitol Area Architectural and Planning Board to develop, in cooperation with the Departments of Health and Administration, a preliminary facility program, site study, and design framework for a new Department of Health building in the Capitol Area

150,000

(b) This appropriation is to the commissioner of administration to remodel the laboratory space to meet safety requirements and minimal HVAC modifications

1,376,000

Sec. 29. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8

318,000

Sec. 30. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1991, no more than \$419,372,900 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 31. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the state bond proceeds fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$268,285,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this act from the reinvest in Minnesota fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$4,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$7,306,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 32. [CONSULTATION REQUIRED.]

During the biennium, land must not be purchased and a building must not be purchased, constructed, or erected on land of the University of Minnesota until the regents have first consulted with the chair of the senate finance committee and the chair of the house appropriations committee and obtained their advisory recommendations.

Sec. 33. [REVIEW OF PLANS.]

An agency to whom an appropriation is made in this act must not prepare final plans and specifications for any construction or major remodeling authorized by this act until the agency that will use the project has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 34. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, or upon the abandonment of the project, the agency to whom the appropriation is made in this act may transfer the

unencumbered balance in the project account to another project enumerated in the same section. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The commissioners and boards shall report to the chair of the senate finance committee and the chair of the house appropriations committee before a transfer is made under this section.

Sec. 35. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

An agency that receives an appropriation in this act shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization may be made only after the agency has consulted with the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 36. [METHODS OF ACQUISITION.]

If money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

Sec. 37. [PLANNING.]

During the biennium, in its planning for new program offerings at a particular institution, each public post-secondary education governing board shall consider the availability of physical space and the adequacy of facilities at that institution. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different institution within its system or in cooperation with other systems.

Sec. 38. [APPROPRIATION REDUCTIONS AND CANCELLATIONS.]

The bond sale authorization in Laws 1979, chapter 300, section 4, subdivision 3 for construction of local dams is reduced by \$129,000.

Sec. 39. Minnesota Statutes 1989 Supplement, section 16A.631, is amended to read:

16A.631 [BOND PROCEEDS FUND.]

The bond proceeds fund is established to receive state bond the proceeds appropriated to agencies to acquire and to better public land and buildings and other public improvements of a capital nature, as authorized by of all state bonds issued under the constitution, article XI, section 5, clause (a). The commissioner shall establish in the fund accounts having titles that reflect the state purpose or program for which the bond proceeds are appropriated and authorized to be expended.

Sec. 40. Minnesota Statutes 1988, section 16A.641, subdivision 6, is amended to read:

Subd. 6. [TAXABILITY; CERTIFICATION.] The commissioner shall ascertain from state records and certify to the holders of each series of state bonds, subject to the approval of the attorney general, that all conditions exist and all actions have been taken that are needed to make the bonds valid and binding general obligations of the state in accordance with their terms. The commissioner shall also certify for the state the facts, estimates, and circumstances on the date of issue that lead the commissioner reasonably to expect that the proceeds will not be used in a way that would make the bonds arbitrage bonds under section 103(c) of the Internal Revenue Code and related federal regulations.

The bonds may be issued with or without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. If it is intended that the interest on the bonds be exempt from federal income taxes, the commissioner shall certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the bonds and the projects financed by them will not be used in a way that would cause the interest on the bonds to be subject to federal income taxes. The commissioner may covenant with the holders of the bonds that the state will comply with the provisions of the United States Internal Revenue Code then or later enacted that apply or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes. The commissioner and all other state officers shall act or refrain from acting as necessary to comply with the covenants. A sum sufficient to meet the cost of compliance is annually appropriated to the commissioner from the general fund.

Sec. 41. Minnesota Statutes 1989 Supplement, section 16A.641, subdivision 7, is amended to read:

Subd. 7. [CREDIT OF PROCEEDS.] (a) Proceeds of bonds issued

under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest and any premium received on sale of the bonds must be credited to the state bond fund created by the constitution, article XI, section 7.

(c) Proceeds of state ~~building~~ bonds issued under the constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund ~~under established by~~ section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund, or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds shall be credited as provided in the law authorizing their issuance.

Sec. 42. Minnesota Statutes 1988, section 16A.672, is amended by adding a subdivision to read:

Subd. 9a. [TAXABILITY; CERTIFICATION.] Certificates may be issued with or without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. If it is intended that the interest on the certificates be exempt from federal income taxes, the commissioner shall certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the certificates will not be used in a way that would cause the interest on the certificates to be subject to federal income taxes. The commissioner may covenant with the holders of the certificates that the state will comply with the provisions of the United States Internal Revenue Code then or later enacted that apply or may apply to the certificates and that establish conditions under which the interest to be paid on the certificates will not be subject to federal income taxes. The commissioner and all other state officers shall act or refrain from acting as necessary to comply with the covenants. A sum sufficient to meet the cost of compliance is annually appropriated to the commissioner from the general fund.

Sec. 43. Minnesota Statutes' 1989 Supplement, section 16A.69, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.] The commissioner shall place the money from two or more appropriations for the same or related projects in one account if all the appropriations do not lapse until their purposes are accomplished or abandoned. The commissioner of administration agency to whom the appropriation was made shall first certify which accounts are involved to the commissioner.

Sec. 44. Minnesota Statutes 1988, section 16B.24, subdivision 5, is amended to read:

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

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

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

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

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

(f) [RENTAL OF STATE LAND, BUILDINGS FOR PUBLIC USE.] The commissioner may rent state land for no more than 30 years if the lease provides that the lessee shall design, develop, and construct on the land premises for public use and that the state has the option to lease the premises under subdivision 6, paragraph (a); has a lease-purchase agreement covering the premises under subdivision 6, paragraph (b); or has an agreement covering the premises providing for a lease with option to buy under subdivision 6, paragraph (c). A lease or lease-purchase agreement entered into under this paragraph is 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.

Sec. 45. 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) [LEASE-PURCHASE.] The commissioner may lease land or buildings for no more than 30 years if the lease agreement provides for the transfer of the ownership of the leased land and buildings upon normal termination of the lease for an amount not to exceed \$1. The commissioner must not enter into a lease-purchase agreement for the use 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 and the chair of the appropriations committee of the house and the chair of the finance committee of the senate. A lease-purchase agreement entered into under this paragraph is 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.

(c) [LEASE WITH OPTION TO BUY.] The commissioner may

lease land or premises for no more than 30 years if the lease agreement provides the state a unilateral right to purchase all leased land and premises. The unilateral right must:

(1) be available at any time during the lease agreement; and

(2) provide for a decreasing purchase price reflecting a mortgage balance that would reach zero in no more than 30 years from the beginning of the initial lease period. The commissioner must not enter an agreement providing for a lease with option to buy covering land or premises within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(d) [CANCELLATION.] A lease with option to buy agreement entered into under paragraph (c) is 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.

(e) [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.

(e) (f) [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) (g) [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.

(h) [REQUIRED CLAUSE.] A lease, lease-purchase, or lease with option to buy agreement authorized by this section is not valid unless it includes a clause explicitly reserving to the legislature the right to terminate the agreement by nonappropriation.

Sec. 46. Minnesota Statutes 1989 Supplement, section 16B.335, subdivision 2, is amended to read:

Subd. 2. [OTHER PROJECTS.] All other projects paid for with appropriations in an omnibus capital improvements bonding bill,

whether from the bond proceeds fund or another fund, including building improvements, small structures at experiment stations, asbestos removal, life safety, PCB removal, tuckpointing, roof repair, code compliance, landscaping, drainage, electrical and mechanical systems work, paving of streets, parking lots, and the like must not proceed until the agency undertaking the project has notified the chair of the senate finance committee and the chair of the house appropriations committee that the work is ready to begin.

Sec. 47. Minnesota Statutes 1988, section 116.18, subdivision 3d, is amended to read:

Subd. 3d. [ADJUSTMENTS TO MATCHING GRANTS AND STATE INDEPENDENT GRANTS.] A municipality with a population of 25,000 or less that was tendered a state matching grant under subdivision 2a, or a state independent grant under subdivision 3a, or a federal grant under the federal Water Pollution Control Act, United States Code, title 33, sections 1281 to 1299, from October 1, 1984, through September 30, 1987, shall, after the municipality has awarded bids for construction of the treatment works, and upon request, receive a grant increase of 2.5 five percent of the total eligible costs of construction, up to the maximum entitlement for grants awarded on or after October 1, 1987, under subdivisions 2a and 3a. The municipality must inform other entities that are providing funding for construction of the treatment works of the grant increase, and repay any funds to which it is not entitled. A municipality must not receive funding for more than 100 percent of the total costs of the treatment works. Documentation of money received from other sources must be submitted with the request for the grant increase. Money remaining after all grants have been awarded under this subdivision may be used for the award of grants under subdivisions 2a and 3a. An adjustment grant awarded after July 1, 1989, that is a continuation of a previously awarded adjustment grant must be awarded through a letter from the agency to the municipality stating the grant amount. A formal grant agreement is not required.

Sec. 48. [124.478] [BOND ISSUE; MAXIMUM EFFORT LOANS; 1990.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$36,630,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and

sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 49. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. [AUTHORIZATION TO SEEK FINANCING.] A community college must not seek financing for child care facilities through the higher education facilities authority, as provided in section 50, without the explicit authorization of the state board.

Sec. 50. Minnesota Statutes 1988, section 136A.28, subdivision 3, is amended to read:

Subd. 3. "Project" means a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies or other items the costs of which are customarily deemed to result in a current operating charge, and shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Sec. 51. Minnesota Statutes 1988, section 136A.28, subdivision 7, is amended to read:

Subd. 7. "Participating institution of higher education" means an institution of higher education ~~which, pursuant to that,~~ under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating

institutions of higher education for the purpose of financing and constructing child care facilities.

Sec. 52. Minnesota Statutes 1988, section 136C.04, subdivision 4, is amended to read:

Subd. 4. [BUDGET REQUESTS.] The state board shall review and approve, disapprove, or modify the biennial budget requests for post-secondary vocational education operations and facilities submitted by the state director. The state board shall submit the approved biennial budget requests to the governor. A technical college must not seek financing for child care facilities through the higher education facilities authority, as provided in section 50, without the explicit authorization of the state board.

Sec. 53. Laws 1979, chapter 280, section 2, as amended by Laws 1982, chapter 617, section 25, Laws 1985, chapter 299, section 39, Laws 1985, First Special Session, chapter 16, article 2, section 16, and Laws 1989, chapter 300, article 1, section 34, is amended to read:

Sec. 2. [APPROPRIATION.] Subdivision 1. \$60,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. ~~\$58,500,000~~ \$59,309,000 or so much thereof as is needed, is available for expenditure for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

(1) To counties ~~\$16,220,000~~ \$16,720,000

(2) To home rule charter and statutory cities ~~\$2,620,000~~
\$2,729,000

(3) To towns ~~\$23,160,000~~ \$23,360,000

Grants under clauses (1) to (3) may be used by political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdictions. Additional grants may be made in an aggregate amount not to exceed \$16,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. Appro-

priations made in subdivisions 1, 2, ~~or~~ and 3 may also be used for the following purposes:

(1) The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.

(2) The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.

Subd. 3. An additional amount not to exceed ~~\$1,500,000~~ \$691,000 is available for grants for preliminary engineering and environmental studies pursuant to ~~section 3~~ Minnesota Statutes, section 174.50, subdivision 6a.

Sec. 54. Laws 1989, chapter 329, article 5, section 21, subdivision 8, is amended to read:

Subd. 8. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$855,500 1990

~~\$2,100,000~~ \$3,656,000 1991

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

The 1990 appropriation does not cancel and is available until July 1, 1991.

Sec. 55. [LOANS NOT APPROVED IN 1990.]

Capital loans to independent school districts No. 115, Cass Lake; No. 192, Farmington; No. 390, Lake of the Woods; No. 484, Pierz;

and No. 533, Dover-Eyota are not approved. If these districts reapply for capital loans and meet the criteria in effect at that time, their loan applications must be approved by the state board and submitted to the legislature by the commissioner. Except for emergency requests, the school districts listed in this section shall be the top priority for funding capital loans in 1991.

Sec. 56. [REPEALER.]

Minnesota Statutes 1988, section 16A.651, is repealed.

Sec. 57. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature, with certain conditions; authorizing issuance of state bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing certain lease-purchase, lease with option to buy, and rental arrangements by the commissioner of administration; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 16B.24, subdivisions 5 and 6; 116.18, subdivision 3d; 136.62, by adding a subdivision; 136A.28, subdivisions 3 and 7; 136C.04, subdivision 4; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; 16B.335, subdivision 2; Laws 1979, chapter 280, section 2, as amended; Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 16A.651."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

S. F. No. 188, A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the

commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [57.01] [SHORT TITLE.]

This chapter may be cited as the “mortgage banker and mortgage broker licensing act.”

Sec. 2. [57.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [BORROWER.] “Borrower” means a natural person who has submitted an application for a loan to a mortgage banker.

Subd. 3. [BUSINESS.] “Business” means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 4. [COMMISSIONER.] “Commissioner” means the commissioner of commerce.

Subd. 5. [GENERAL MORTGAGE BROKER.] “General mortgage broker” means a person who directly or indirectly brokers, places, assists in placement, or finds mortgage loans for others or offers or attempts to broker, place, assist in placement, or find mortgage loans for others.

Subd. 6. [INDIVIDUAL MORTGAGE BROKER.] “Individual mortgage broker” means one who acts on behalf of a general mortgage broker with respect to brokering, placing, assisting in placement, or finding mortgage loans for others or offering or attempting to broker, place, assist in placement, or find mortgage loans for others.

Subd. 7. [LOAN ORIGINATOR OR MORTGAGE LOAN ORIGI-

NATOR.] "Loan originator" or "mortgage loan originator" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or originating a mortgage loan with a borrower. The term includes both an officer or employee of a mortgage banker who is authorized to solicit or originate loans, and who regularly solicits or originates loans, and the person who is responsible for the day-to-day management of a branch office of a mortgage banker.

Subd. 8. [MORTGAGE BANKER.] "Mortgage banker" means a person making or servicing a mortgage loan.

Subd. 9. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to individuals secured by a mortgage or other encumbrance upon real property containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed. The term does not include:

(1) a loan or extension of credit made by the seller of real property for the purchase of that property or the refinance of a contract for deed on that property; or

(2) a loan or advance of credit that is made primarily for a business or commercial purpose.

Subd. 10. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized.

Subd. 11. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account, of payments, interest, principal, and escrow items such as hazard insurance and taxes on a mortgage loan in accordance with the terms of the mortgage loan. Servicing includes loan analysis, communications to mortgagors regarding loan payments, and the administration of escrow accounts for payment of items such as hazard insurance premiums and taxes.

Sec. 3. [57.03] [LICENSE REQUIREMENT.]

Subdivision 1. [GENERALLY.] A person shall not engage in business as a mortgage banker, loan originator, general mortgage broker, or individual mortgage broker, unless the person has first obtained a license under this chapter.

Subd. 2. [EXEMPTIONS.] The following persons are exempt from the licensing requirements of this chapter:

(1) persons whose primary responsibility is to process loan applications, unless the person is authorized to solicit or originate loans;

(2) persons making five or fewer mortgage loans in a period of 12 consecutive months;

(3) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of the United States that have offices in this state from which deposits are accepted under the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

(4) charitable corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(5) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;

(6) persons licensed by this state as real estate brokers or salespersons who, in the course of representing a purchaser or seller of real estate, incidentally assist the purchaser or seller in obtaining financing for the real property in question;

(7) attorneys authorized to practice law in this state, who, in the normal course of legal practice, assist a client in obtaining mortgage financing, if the attorneys do not receive a separate commission, fee, or other thing of value for the service;

(8) persons acting in a fiduciary capacity conferred by authority of a court; and

(9) persons who only negotiate assumptions, workouts, or conversions of existing loans.

Subd. 3. [LICENSED MORTGAGE BANKERS.] Persons licensed as mortgage bankers are not required to be licensed as mortgage brokers.

Sec. 4. [57.04] [APPLICATIONS FOR MORTGAGE BANKER OR GENERAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [FORM.] An application for a license under this section must be made in writing, on a form approved by the commissioner.

Subd. 2. [CONTENTS.] The application for a mortgage banker or general mortgage broker must set forth:

- (1) the name and address of the applicant;
- (2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;
- (3) if the applicant is a corporation, the name and address of each officer, director, and registered agent;
- (4) the addresses of all offices in this state where business will be conducted by the applicant and the name of the person responsible for the day-to-day management of each office; and
- (5) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, and employees as the commissioner requires.

Subd. 3. [FINANCIAL RESPONSIBILITY FOR MORTGAGE BANKERS.] (a) An applicant for a mortgage banker license shall:

(1) demonstrate evidence of approval or certification by the United States Secretary of Housing and Urban Development, including as a correspondent or sponsored mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; or

(2) certify to the commissioner a surety bond; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans.

(b) If the applicant for a mortgage banker license provides a surety bond, it must be in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee. The aggregate liability of the surety to all persons for all losses is limited to the amount of the bond. The bond must remain operative for the term of the license.

(c) If the applicant for a mortgage banker license provides a line of credit, it must be for at least \$250,000 with a licensed mortgage banker, a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, or a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit shall be waived by the commissioner if all loans originated by the applicant are either closed in the name of a licensed mortgage banker or other financial institution or person approved by the commissioner under an agreement between the mortgage banker or other financial institution and the applicant, or assigned, under an agreement, to a licensed mortgage banker or other financial institution or person approved by the commissioner, simultaneously with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage banker or financial institution will be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

Subd. 4. [EXPERIENCE.] An applicant for a mortgage banker license shall have at least one corporate officer with two years of mortgage banking experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

Subd. 5. [MATERIAL CHANGES.] License holders shall notify the commissioner in writing of any material change in information contained in a license application. This notice must be sent within ten days of the change.

Sec. 5. [57.05] [APPLICATIONS FOR LOAN ORIGINATOR OR INDIVIDUAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [CONTENTS.] The application for a loan originator or individual mortgage broker license must set forth the name and address of the applicant and other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

Subd. 2. [MATERIAL CHANGES.] Licensed loan originators or individual mortgage brokers shall notify the commissioner in writing of any material change in information contained in a license application. This notice must be sent within ten days of the change.

Sec. 6. [57.06] [FEES.]

An application for license under this chapter must be accompanied by the payment of the following fees:

(1) \$375 for each mortgage banker and general mortgage broker license, and \$250 for each annual renewal;

(2) \$75 for each loan originator or individual mortgage broker license, and \$50 for each annual renewal;

(3) \$25 for each transfer;

(4) \$25 for a corporation or partnership name change;

(5) \$5 for a name change;

(6) \$10 for a license history; and

(7) \$5 for a duplicate license.

All fees must be retained by the commissioner and are nonreturnable, except that an overpayment of a fee must be refunded upon proper application.

Sec. 7. [57.07] [EXAMINATIONS; EDUCATION REQUIREMENTS.]

Subdivision 1. [LOAN ORIGINATOR OR INDIVIDUAL MORTGAGE BROKER.] An applicant for a loan originator or individual mortgage broker license must pass an examination developed and conducted by the commissioner. The examination must be of sufficient scope to establish the competence and capacity of the applicant to act as a loan originator or individual mortgage broker.

Subd. 2. [EXAMINATION FREQUENCY.] The commissioner must hold an examination at least once every 60 days unless there are no applicants to be examined. The examination may be held more frequently upon demand and as the commissioner considers reasonable.

Subd. 3. [INSTRUCTION; NEW LICENSES.] An applicant for a loan originator or individual mortgage broker license must successfully complete a course of study in the mortgage banking field consisting of 45 hours of instruction approved by the commissioner under subdivision 6 before taking the examination specified in subdivision 1. An additional 45 hours of instruction must be successfully completed within one year of initial licensure. Instruction required under this subdivision must be approved by the commissioner, under subdivision 6.

Subd. 4. [EXEMPTION FROM EDUCATION REQUIREMENTS.]
(a) The commissioner may waive the education requirements of subdivision 3 for a person applying for a loan originator or individual mortgage broker license who can demonstrate proficiency in mortgage banking.

(b) A person applying for a loan originator or individual mortgage broker license is exempt from the education requirements of subdivision 3 if the applicant:

(1) has applied for a license prior to October 1, 1990; and

(2) was employed by a mortgage banker or general mortgage broker as a mortgage loan originator or individual mortgage broker prior to October 1, 1990.

If a person described in this paragraph fails the examination required in subdivision 1, the person is unlicensed. The commissioner may allow the person to continue to conduct business for 120 days from the date of examination. If during the 120-day period the person reapplies for a license and passes the examination, the person may be licensed upon payment of the license fees.

Subd. 5. [CONTINUING EDUCATION.] (a) A loan originator or individual mortgage broker must successfully complete a course of study in the mortgage banking field consisting of 15 hours of continuing education approved by the commissioner, under subdivision 6, each license year, either as a student or a lecturer in an approved course.

(b) A person who is in the first year of licensure is not required to complete the continuing education requirements of this subdivision if the person has or is planning to complete the 45 hours of postexamination instruction required under subdivision 3.

Subd. 6. [APPROVED COURSES.] (a) The commissioner shall approve courses of study for purposes of subdivisions 3 and 5, which may include courses offered in educational institutions in this state, including degree programs, or developed by and offered under the auspices of national or state trade associations or private schools.

(b) The commissioner shall not approve any course of study offered by or sponsored by or affiliated with a person or company otherwise licensed by the commissioner.

Sec. 8. [57.08] [LICENSE TERM; TRANSFER RESTRICTIONS.]

Subdivision 1. [TERM.] A license is issued annually under this chapter and expires the next September 30.

Subd. 2. [LIMITATION.] A loan originator or individual mortgage broker must be licensed to act on behalf of (i) a licensed mortgage banker or general mortgage broker respectively, or (ii) a person who elects licensure for its employees under section 15. A loan originator or individual mortgage broker may not be licensed to act on behalf of more than one mortgage banker, general mortgage broker, or

person who elects licensure for its employees under section 15 in this state at the same time.

Subd. 3. [TRANSFERS.] (a) The commissioner shall establish the procedure for the transfer of a mortgage banker, general mortgage broker, loan originator, or individual mortgage broker license because of a merger or acquisition.

(b) When an individual mortgage broker or loan originator terminates activity on behalf of a general mortgage broker or mortgage banker in order to begin association immediately with another general mortgage broker or mortgage banker, the commissioner shall automatically transfer the person's license. The transfer is effective upon mailing or personally delivering the required fee and the executed documents to the commissioner's office.

Subd. 4. [REINSTATEMENT.] A person who becomes unlicensed for reasons other than a revocation or suspension of a license may have the license reinstated without complying with the educational requirements of section 7, subdivision 3, if the person has been unlicensed for less than 12 months and reports 15 hours of continuing education credit for the year.

Sec. 9. [57.09] [RENEWAL APPLICATION.]

A person whose renewal application has been properly and timely filed and who has not received notice of denial or a renewed license may continue to transact business even if the renewed license has not been received by October 1. Application for renewal of a license is considered to have been timely filed if received by the commissioner, or mailed with proper postage and postmarked, by September 15 of each year. Applications for renewal are considered properly filed if made upon forms duly executed and containing information the commissioner requires.

Sec. 10. [57.095] [DENIAL; SUSPENSION; REVOCATION OF LICENSE.]

The commissioner may by order deny, suspend, or revoke any license if the applicant or licensee:

(1) has filed an application for a license which is incomplete or contains any statement or material, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of

competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the mortgage business;

(4) has failed, in the case of general mortgage brokers and mortgage bankers, to reasonably supervise loan originators or individual mortgage brokers so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of this chapter or any rule under this chapter; or

(6) has, in the conduct of the licensee's affairs under the license, has shown to be incompetent, untrustworthy, or financially irresponsible.

Sec. 11. [57.10] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

A mortgage banker or general mortgage broker shall maintain in its offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the licensee is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from any other business in which the mortgage banker or general mortgage broker is involved.

Sec. 12. [57.11] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] A person licensed under this chapter shall not engage in any act or practice prohibited in chapter 57A.

Subd. 2. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.]

(a) A general or individual mortgage broker shall not:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and necessary to obtain a loan commitment, receive compensation from a borrower until a written commitment to make a mortgage loan is given to the borrower by a person agreeing to make the loan;

(2) fail to deposit in a trust account in a depository financial institution located within this state, within 48 hours of receipt, all fees received before a loan is actually funded; or

(3) receive compensation from the borrower other than that specified in a written agreement signed by the borrower.

(b) The person shall not receive compensation from the borrower for acting as a general mortgage broker or individual mortgage

broker without first entering into a written contract with the borrower that:

(1) identifies the trust account into which the fees or consideration will be deposited;

(2) sets forth the circumstances under which the general and individual mortgage broker will be entitled to disbursement from the trust account;

(3) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(4) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(5) states the maximum rate of interest to be charged on any loan obtained;

(6) discloses, with respect to the 12-month period ending ten business days before the date of the contract in question, the percentage of the general mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services (this disclosure need not be made for any period before the effective date of this section); and

(7) discloses the cancellation rights and procedures in section 13.

Sec. 13. [57.12] [CANCELLATION.]

A customer of a general or individual mortgage broker who pays a fee before the loan is actually funded has an unconditioned right to rescind the contract for mortgage brokerage services before midnight of the third business day after the day the contract was signed. Cancellation is evidenced by the customer giving written notice of cancellation to the general mortgage broker at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox properly addressed to the general mortgage broker with postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the customer not to be bound by the contract. A customer of a general or individual mortgage broker may not waive the right to rescind provided in this section.

Sec. 14. [57.13] [RIGHT TO USE TERMS.]

A person making or brokering a mortgage loan, including a person exempt from the licensing requirements of this chapter, may not advertise or represent that the person is a mortgage banker,

mortgage loan originator, general mortgage broker, or individual mortgage broker unless licensed as provided in this chapter or unless the person elects licensure under section 15.

Sec. 15. [57.14] [ELECTION TO BE LICENSED.]

Notwithstanding the exemptions in section 3, an exempt person may elect licensing for its employees if each employee who performs the functions defined in section 2, subdivisions 6 and 7, holds a loan originator or individual mortgage broker license. Employees of exempt persons who hold a loan originator's or individual mortgage broker's license shall comply with the requirements of this chapter as if they were licensed to a mortgage banker or general mortgage broker.

Sec. 16. [57.15] [RESPONSIBILITY FOR EMPLOYEES.]

Notwithstanding the licensure of certain of its employees, a mortgage banker or a general mortgage broker is responsible for exercising reasonable care that its employees, including those licensed, comply with the requirements of this chapter.

Sec. 17. [57.16] [REPORT OF VIOLATIONS TO COMMISSIONER.]

A mortgage banker or general mortgage broker including those electing licensing under section 15, shall report a violation of this chapter by a licensed employee to the commissioner. The report shall be made within a reasonable time after the person has knowledge of the violation. The commissioner shall prescribe the manner and form of the report. The making of a report of a violation to the commissioner is not grounds for any action for libel, slander, or defamation by an employee against an employer or former employer, unless the employer knows that the report is false or acts with reckless disregard for the truth or falsity of the report.

Sec. 18. [57.17] [RULES.]

The commissioner shall adopt rules to administer this chapter.

Sec. 19. Minnesota Statutes 1988, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase

or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

(d) (c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(e) (d) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;
or

(f) (e) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;

(g) offers or makes more than five loans secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States, trust company, trust company acting as a fiduciary, or other financial institution subject to the supervision of the commissioner of commerce, or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association.

Sec. 20. Minnesota Statutes 1989 Supplement, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney if the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in the building;

(e) any bank, trust company, savings and loan association, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e), and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when that person is engaged in the specific performance of duties as an auctioneer, and when that person has been employed to auction real estate by a person licensed under this chapter or when the auctioneer has engaged a licensed attorney to supervise the real estate transaction;

(i) any person who acquires real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale if no more than 25 such transactions occur in any 12-month period and the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of these securities;

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities, or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A;

(n) an accountant acting incident to the practice of the accounting profession if the accountant complies in all respects with the trust account provisions of this chapter; and

(o) any mortgage banker, loan originator, general mortgage broker, or individual mortgage broker licensed under sections 1 to 18 while engaged in the activities for which the license is required.

Sec. 21. Minnesota Statutes 1988, section 332.32, is amended to read:

332.32 [EXCLUSIONS.]

The term "collection agency" shall not include persons whose collection activities are confined to and are directly related to the operation of a business other than that of a collection agency such as, but not limited to banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, persons licensed under sections 1 to 18, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, building and loan associations, savings and loan associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected.

Sec. 22. [APPROPRIATION.]

\$37,800 is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 18 and is available

until June 30, 1991. The approved complement of the department of commerce is increased by one position.

Sec. 23. [TEMPORARY REGISTRATION.]

By July 1, 1990, every person who will be required to be licensed under section 3 must register with the department of commerce on a form the department prescribes.

Sec. 24. [REPEALER.]

Minnesota Statutes 1988, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1 to 21, 23, and 24 are effective the day following final enactment. A mortgage banker, loan originator, general mortgage broker, or individual mortgage broker need not be licensed before October 1, 1990.

ARTICLE 2

Section 1. [57A.01] [SCOPE.]

Subdivision 1. [RESIDENTIAL MORTGAGE LOANS.] This chapter applies to any entity that engages in the business of making, brokering, or servicing residential mortgage loans except for entities that are exempt under subdivision 2.

Subd. 2. [EXEMPTION.] This chapter does not apply to:

(1) entities making, brokering, or servicing five or fewer residential mortgage loans in a period of 12 consecutive months;

(2) charitable or nonprofit corporations making residential mortgage loans to promote home ownership or improvements for the disadvantaged;

(3) agencies of the federal government, or a state government, or a quasi-governmental agency making residential mortgage loans under the specific authority of the laws of a state or the United States; or

(4) entities acting in a fiduciary capacity conferred by authority of a court.

Sec. 2. [57A.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of this chapter, the terms

in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means an oral, written, graphic, or pictorial statement made in the course of solicitation of business. Advertisement includes, without limitation, a statement or representation made in a newspaper, magazine, or other publication, or contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter, or on radio or television.

Subd. 3. [BORROWER OR MORTGAGOR.] "Borrower" or "mortgagor" means a natural person who has submitted an application for a loan to a mortgage lender or has obtained a residential mortgage loan.

Subd. 4. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 6. [ENTITY.] "Entity" means an individual acting as a sole proprietorship, corporation, partnership, association, trust, or any other commercial organization or group of individuals, however organized.

Subd. 7. [EQUAL CREDIT OPPORTUNITY ACT.] "Equal Credit Opportunity Act" means United States Code, title 15, sections 1691 to 1691F, and any regulations adopted under those sections.

Subd. 8. [ESCROW ACCOUNT.] "Escrow account" means an agency or similar account for the payment of taxes or insurance premiums with respect to a residential mortgage loan.

Subd. 9. [LENDER-IMPOSED FEES.] "Lender-imposed fees" means any fees charged to a borrower and retained by a lender including origination fees, discount points, commitment fees, and underwriting fees, which may be expressed as a percentage. Lender-imposed fees do not include interim interest, down payment, or any amount required to pay off an existing mortgage loan.

Subd. 10. [MORTGAGE BROKER.] "Mortgage broker" means a person who directly or indirectly brokers, places, assists in placement, or finds mortgage loans for others or offers to broker, place, assist in placement, or find mortgage loans for others.

Subd. 11. [MORTGAGE LENDER.] "Mortgage lender" means an entity making or servicing a residential mortgage loan.

Subd. 12. [RESIDENTIAL MORTGAGE LOAN OR LOAN.] "Residential mortgage loan" or "loan" means a loan or advance of credit to an individual secured by a mortgage or other encumbrance upon real property of less than ten acres located in the state and containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed. The term does include a refinance of an existing loan or advance of credit that is secured by a mortgage or other encumbrance upon real property. The term does not include:

(1) a loan or advance of credit that is made primarily for a business or commercial purpose;

(2) a loan or extension of credit made by the seller of real property for the purchase of the property provided the seller makes no more than five such loans or extensions of credit per year; or

(3) a loan for which less than 50 percent of the proceeds are intended to be used to acquire legal title to the property or to refinance the balance due on a contract for deed.

Subd. 13. [REAL ESTATE SETTLEMENT PROCEDURES ACT.] "Real Estate Settlement Procedures Act" means United States Code, title 12, sections 2601 to 2617, and any regulations adopted under those sections.

Subd. 14. [REFERRAL FEE.] "Referral fee" means the types of payments under the Real Estate Settlement Procedures Act.

Subd. 15. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account of payments, interest, principal, and escrow items such as hazard insurance and taxes on a residential mortgage loan in accordance with the terms of the residential mortgage loan. Servicing includes loan analysis, communications to mortgagors regarding loan payments, and the administration of escrow accounts for payment of items such as hazard insurance premiums and taxes.

Subd. 16. [SETTLEMENT SERVICES.] "Settlement services" includes any service provided in connection with the settlement of a real estate transaction including, but not limited to, title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, services rendered by a real estate agent or broker, the handling of the closing or settlement, and inspections for pest, fungus, and other purposes.

Subd. 17. [TRUTH-IN-LENDING ACT.] "Truth-in-Lending Act"

means United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

Sec. 3. [57A.03] [PROHIBITED PRACTICES; GENERAL.]

(a) A mortgage lender, mortgage broker, or their employees, may not violate any provisions of the Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, or the Truth-in-Lending Act in the making, brokering, or servicing of residential mortgage loans; or the regulations, where applicable, of the Secretary of the Department of Housing and Urban Development, Secretary of the Department of Veterans Affairs, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Minnesota housing finance agency.

(b) A mortgage lender or mortgage broker shall not refuse to honor a provision of a written real estate purchase agreement between a borrower and a seller relating to which parties to the purchase agreement may execute a written interest rate or discount point agreement. The acceptance, whether by the borrower or the seller, must be in writing under section 47.206, subdivision 3.

Sec. 4. [57A.04] [ADVERTISING PRACTICES.]

Subdivision 1. [PROHIBITION.] Advertisements by mortgage lenders or mortgage brokers shall not:

(1) state or imply that the advertised loan interest rates, points, terms, charges, or the contracts of services of the mortgage lender or mortgage broker are approved, recommended, or established by the state; or

(2) contain any statement that is false, misleading, or deceptive.

Subd. 2. [MORTGAGE BROKERS.] A mortgage broker must disclose in any advertisement of the broker's services or the broker's name that the mortgage broker does not make or fund loans and that any loan funds made available will be provided by another entity.

Sec. 5. [57A.05] [LOAN APPLICATION PRACTICES.]

Subdivision 1. [NOTICE.] At the time of the loan application, but before the borrower signs the application or pays any consideration to a mortgage lender, the mortgage lender must provide the borrower with:

(a) A separate, written notice in at least ten-point bold type, if printed, or in capital letters, if typewritten, which shall be in the following form:

"THIS DOCUMENT IS GIVEN TO YOU AS REQUIRED UNDER MINNESOTA LAW TO MAKE YOU AWARE OF SOME OF YOUR RIGHTS.

1. THE FOLLOWING ITEMS ARE ATTACHED TO THIS DOCUMENT:

a. AN ITEMIZED LIST OF ALL FEES YOU WILL BE REQUIRED TO PAY AT THE TIME OF APPLICATION. EACH FEE IS IDENTIFIED AS EITHER REFUNDABLE OR NONREFUNDABLE IN THE EVENT THAT YOUR APPLICATION IS DENIED, WITHDRAWN, OR THE LOAN DOES NOT CLOSE.

b. A GENERAL DESCRIPTION OF THE TYPES OF DOCUMENTS WE WILL ASK YOU TO PROVIDE US IN ORDER FOR US TO PROCESS YOUR LOAN APPLICATION.

c. A GENERAL DESCRIPTION OF THE STANDARDS WE USUALLY USE IN DECIDING WHETHER TO APPROVE A LOAN.

2. WE WILL GIVE YOU COPIES OF THE FOLLOWING ITEMS:

a. A BLANK SAMPLE OF THE MORTGAGE NOTE AND MORTGAGE CONTRACT THAT YOU WILL SIGN IF YOUR LOAN IS APPROVED AS APPLIED FOR.

b. A SAMPLE COMMITMENT LETTER [IF APPLICABLE].

c. A SAMPLE INTEREST RATE OR DISCOUNT POINT AGREEMENT [IF APPLICABLE].

3. YOU WILL BE GIVEN A COPY OF EACH DOCUMENT THAT YOU SIGN AT CLOSING.

4. WE WILL GIVE YOU COPIES OF ANY APPRAISAL REPORTS OR OTHER REPORTS YOU HAVE PAID FOR, EXCEPT CREDIT REPORTS. CREDIT INFORMATION IS AVAILABLE FROM THE CREDIT REPORTING AGENCY AND UPON REQUEST WE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE AGENCY.

5. WE CANNOT REQUIRE YOU TO USE A SPECIFIC COMPANY OR PERSON TO PROVIDE SETTLEMENT SERVICES, OTHER THAN CREDIT REPORTS AND APPRAISALS, SUCH AS PROPERTY TITLE SEARCHES, TITLE EXAMINATIONS, TITLE INSURANCE, PROPERTY SURVEYS, OR LOAN CLOSING SERVICES. WE CAN, HOWEVER, INSIST THAT A SPECIFIC COMPANY BE ACCEPTABLE TO US.

6. WE CANNOT REQUIRE YOU TO PURCHASE HAZARD INSURANCE FROM A SPECIFIC INSURANCE COMPANY, AGENT, OR AGENCY. WE CAN INSIST, HOWEVER, THAT YOUR INSURANCE POLICY BE ISSUED BY A COMPANY THAT IS AUTHORIZED TO DO BUSINESS IN MINNESOTA, OR PURCHASED FROM AN AGENT OR AGENCY THAT IS DULY LICENSED AS MINNESOTA LAW REQUIRES. WE CAN ALSO REFUSE TO ACCEPT COVERAGE WHERE WE HAVE REASONABLE GROUNDS TO BELIEVE THE INSURER IS INSOLVENT, OR WHERE THE INSURANCE OR CARRIER DOES NOT CONFORM WITH THE REQUIREMENTS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION.

7. AT LEAST 24 HOURS BEFORE CLOSING, UPON REQUEST, WE WILL MAKE AVAILABLE TO YOU AT OUR OFFICE A FINAL LISTING OF ALL LENDER-IMPOSED FEES WE WILL CHARGE YOU AT CLOSING.

8. WE CANNOT CHARGE YOU ANY LENDER-IMPOSED FEE AT YOUR CLOSING IF THE AMOUNT OF THE FEE WAS NOT DISCLOSED UNDER ITEM 7 ABOVE.

9. IF YOUR LOAN DOES NOT CLOSE FOR ANY REASON, WE WILL REFUND TO YOU THE UNUSED OR UNEARNED PORTION OF ANY FEES YOU HAVE PAID TO US FOR ANY THIRD PARTY SERVICES SUCH AS CREDIT REPORTS AND APPRAISAL FEES.

10. IF WE DO NOT APPROVE YOUR LOAN, WE WILL REFUND TO YOU ANY FEE, INCLUDING ANY DISCOUNT POINTS, YOU HAVE PAID TO US FOR ENTERING INTO AN INTEREST RATE OR DISCOUNT POINT AGREEMENT, IF THE AGREEMENT IS FOR 90 DAYS OR LESS."

(b) The following items that must be attached to the notice required in paragraph (a):

(1) an itemized list of all fees the borrower will be required to pay at the time of application, and identification of each fee as either refundable or nonrefundable in the event that the application is denied, withdrawn, or the loan does not close;

(2) a general description of the types of documents the borrower is usually requested to provide in order for the mortgage lender to provide the loan; and

(3) a general description of the underwriting and other eligibility standards customarily used in determining whether a loan will be provided.

Subd. 2. [COPIES OF DOCUMENTS.] (a) A mortgage lender must provide a sample copy of a blank mortgage note and mortgage contract and, if either are offered by the mortgage lender, a sample interest rate or discount point agreement and a commitment letter to the borrower.

(b) A copy of each document signed by the borrower at closing must be provided to the borrower at closing.

Subd. 3. [COPIES OF REPORTS.] A mortgage lender must provide to the borrower, or send or transmit to another person as directed by the borrower, within two business days, a copy of any report for which the borrower has paid, excluding credit reports. If a credit report is requested by the borrower, the lender must disclose the name, address, and telephone number of the entity who prepared the credit report. If a lender or an affiliate, agency, or subsidiary of the lender does not possess a report, the lender must inform the borrower where the document may be obtained provided, however, that the lender must provide the borrower with a copy of the document or report if the lender comes into possession of it.

Subd. 4. [SETTLEMENT SERVICES.] A mortgage lender may not require a borrower to contract with any specific person for real estate settlement services. However, the lender may require that a person providing settlement services be acceptable to the lender.

Subd. 5. [INSURANCE.] (a) A mortgage lender may not require a borrower to purchase hazard insurance covering the property from a designated company, agent, or agency. This does not prohibit a lender from requiring that the insurance company meet the financial criteria under section 72A.31, subdivision 1.

(b) A mortgage lender may not require a borrower to obtain a policy of insurance covering the real property encumbered by the residential mortgage loan in an amount exceeding the amount of the mortgage.

Subd. 6. [CHANGING TERMS; PROHIBITED.] (a) A mortgage lender may not obtain any written agreement or instrument in which blanks are left to be filled in after execution of it by the parties, except for verification of employment, bank accounts, and other credit verification.

(b) A mortgage lender may not fill in or change the loan amount, interest rate, number of discount points, or other terms contained in any interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties.

Subd. 7. [SECURITY INTEREST; PERSONAL PROPERTY.] A mortgage lender may not accept, in connection with a residential

mortgage loan, a security interest in the borrower's personal property as described under Code of Federal Regulations, title 16, section 444.2(4).

Subd. 8. [REFERRAL FEES.] (a) A mortgage lender may not pay or accept a referral fee in connection with making or processing a mortgage loan to the extent prohibited under the Real Estate Settlement Procedures Act.

(b) Any payments permitted under the Real Estate Settlement Procedures Act for services performed may not be paid to or accepted by a real estate broker or real estate salesperson unless written disclosure is made to and acknowledged by the borrower before the services are to be performed.

Sec. 6. [57A.06] [CLOSING PRACTICES.]

Subdivision 1. [DISCLOSURE OF FEES.] A mortgage lender must make available to a borrower, upon request, at least 24 hours before closing, a final listing of all lender imposed fees the mortgage lender will charge the borrower at closing.

Subd. 2. [ACCEPTANCE OF MORTGAGE LENDER FEES NOT DISCLOSED; PROHIBITED.] A mortgage lender may not charge a lender-imposed fee, and a borrower may not be required to pay a lender-imposed fee at the closing of the residential mortgage loan if the amount of the fee was not previously disclosed as required by subdivision 1.

Subd. 3. [CONFESSION OF JUDGMENT.] A mortgage lender may not take a confession of judgment or a power of attorney to confess judgment, or appear for the borrower in any judicial proceeding, or place in mortgage loan documents any provision that would authorize or permit any such confession of judgment.

Sec. 7. [57A.07] [REFUNDS.]

Subdivision 1. [THIRD-PARTY SERVICES.] If a residential mortgage loan fails to close, the mortgage lender shall refund to the borrower the unused or unearned portion of any fees paid by the borrower to the mortgage lender for third-party services including, but not limited to, credit reports and appraisal fees.

Subd. 2. [LOCK-IN FEES.] If a borrower fails to qualify for a residential mortgage loan, the mortgage lender must refund any fee, including any discount points, paid by the borrower to the mortgage lender for entering into an interest rate or discount point agreement as defined under section 47.206. This subdivision does not apply to fees negotiated between the borrower and the mortgage lender for a period of price protection of 90 days or more.

Sec. 8. [57A.08] [LOAN SERVICING PRACTICES.]

Subdivision 1. [PROMPT CREDITING OF PAYMENTS.] In servicing a residential mortgage loan, a mortgage lender shall process and properly credit any regularly scheduled payment from the mortgagor to the mortgagor's residential mortgage loan account no later than one business day after receipt by the mortgage lender of the payment.

Subd. 2. [LATE PAYMENTS.] A mortgage lender shall not impose or collect any fee for late payments of principal, interest, or other sums due under a note, unless the late fee is authorized by the note and payment is not actually received by the mortgage lender by the due date provided for in the mortgage instrument.

Subd. 3. [COMMUNICATIONS WITH BORROWER.] In servicing a residential mortgage loan, a mortgage lender shall respond within ten business days to written communications from a mortgagor about the mortgagor's loan that reasonably indicate that a response is requested or needed, including requests for information about the terms and conditions under which private mortgage insurance may be discontinued, if applicable.

Subd. 4. [TOLL-FREE NUMBER.] (a) In servicing a residential mortgage loan, a mortgage lender shall establish a toll-free telephone number or provide an alternative toll-free telephone arrangement for receiving telephone calls from a Minnesota resident mortgagor calling from Minnesota to the mortgage lender or, if the mortgage lender's office servicing the loan is located in an area code different from the mortgagor's Minnesota residence. A mortgage lender may accept collect calls from Minnesota mortgagors in lieu of establishing a toll-free telephone arrangement.

(b) The toll-free telephone number or arrangement must be sufficient to accommodate the foreseeable demand for its use. A mortgage lender must take steps to reasonably insure that its mortgagors know of the availability of the toll-free or alternative telephone arrangement. A mortgage lender having to make a disclosure under section 47.205, subdivision 2, clause (1) or (2), must include with that disclosure the toll-free or alternative telephone arrangement number or a notice that the mortgage lender accepts collect calls.

Subd. 5. [PAYOFF REQUESTS.] A mortgage lender shall, within ten business days of receipt of a written request from the mortgagor, provide a payoff amount for the principal and interest owed as of a specific date.

Sec. 9. [57A.09] [ESCROW ANALYSIS.]

A mortgage lender administering an escrow account shall:

(1) perform an annual analysis of the escrow account except for the first analysis relating to loans for new construction, which may be made up to 18 months after settlement; and

(2) provide the mortgagor an annual statement of the escrow account.

Sec. 10. [57A.10] [WAIVER PROHIBITED.]

A waiver, modification, or attempt to waive or modify any of the borrower's or mortgagor's rights secured by this chapter is void as contrary to public policy.

Sec. 11. [57A.11] [MISREPRESENTATION.]

A mortgage lender or mortgage broker may not:

(1) engage in an act or practice constituting consumer fraud, false promise, misrepresentation, misleading statement, or deceptive practice, as prohibited under sections 325D.44 and 325F.69, subdivision 1; or

(2) fail to state a material fact if the failure has the effect of misrepresenting the terms or conditions of a residential mortgage loan.

Sec. 12. [57A.12] [RULES.]

The commissioner may adopt rules to administer this chapter.

Sec. 13. [57A.13] [APPROVAL OF FORMS.]

A mortgage lender or mortgage broker may request the commissioner to approve a disclosure governed by this chapter. A request for approval of a disclosure must be accompanied by a fee of \$100, or a fee of \$50 for an amendment to a disclosure that had been previously approved. The fee must be deposited in the state treasury and credited to the general fund. The commissioner must approve or disapprove the disclosure within 60 days after receipt.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective January 1, 1991."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating the

business of mortgage bankers, mortgage lenders, loan originators, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; regulating certain practices; prescribing penalties and providing remedies; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 332.32; Minnesota Statutes 1989 Supplement, section 82.18; proposing coding for new law as Minnesota Statutes, chapters 57 and 57A; repealing Minnesota Statutes 1988, section 82.175."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1930, 2420 and 2651 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1150, 1670, 1698, 1729, 1752, 1870, 1879, 1968, 1983, 2424, 2302, 2383, 2267, 2229, 2172, 2127, 2092, 2090, 2048, 2281, 1897, 1980, 1920, 2119, 2224, 2046, 1726, 1927, 1739, 2179, 2079, 2373, 2381, 2159, 2039 and 2208 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kahn, Skoglund, Welle, Dille and Segal introduced:

H. F. No. 2799, A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1988, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1, 3, and by adding a subdivision; 144.415; 144.416; and 144.417, subdivision 2.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Osthoff, Jacobs, Kahn, Abrams and Olsen, S., introduced:

H. A. No. 40, A proposal to study affirmative action programs of Minnesota financial institutions.

The advisory was referred to the Committee on Financial Institutions and Housing.

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:

H. F. No. 1893, A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2149, A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2508, A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2609, A bill for an act relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds; appropriating money.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 951, A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; removing repealer of laws providing for establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; Laws 1987, chapter 371, section 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, and 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 951 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 951, A bill for an act relating to utilities; providing for the establishment of pilot area development rates for certain electric utility customers; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivisions 3, 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Min-

nesota Statutes 1988, section 611A.52, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Janezich moved that the House concur in the Senate amendments to H. F. No. 2143 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Minnesota Statutes 1988, section 611A.52, subdivision 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. Nos. 1940, 2051, 2207, 1999, 2156, 1831, 2370, 2432 and 2439.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1821, 1942, 1952, 1400, 1827, 2299, 1838, 1848, 1958, 2061, 2136 and 2213.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1940, A bill for an act relating to health; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivisions 14 and 16; 62D.18, subdivisions 2 to 5; and 62D.20, subdivision 2.

The bill was read for the first time.

Greenfield moved that S. F. No. 1940 and H. F. No. 2118, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2051, A bill for an act relating to health; allowing a waiver of restrictions that may be placed upon controlling persons of a nursing home; amending Minnesota Statutes 1988, section 144A.04, subdivision 4; and by adding a subdivision.

The bill was read for the first time.

Greenfield moved that S. F. No. 2051 and H. F. No. 2689, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2207, A bill for an act relating to agriculture; requiring cash discounts on agricultural production inputs if there are interest discounts on credit terms for seller-financed sales; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time.

Olson, E., moved that S. F. No. 2207 and H. F. No. 2385, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1999, A bill for an act relating to agriculture; changing certain duties, procedures, and requirements related to organic food; amending Minnesota Statutes 1988, sections 31.92, by adding subdivisions; 31.94; and 31.95.

The bill was read for the first time.

Ogren moved that S. F. No. 1999 and H. F. No. 2497, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2156, A bill for an act relating to local government; allowing municipalities to enter into certain contracts to reduce energy and operating costs; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision; repealing Minnesota Statutes 1988, section 471.345, subdivision 9.

The bill was read for the first time.

Simoneau moved that S. F. No. 2156 and H. F. No. 2268, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1831, A bill for an act relating to health and human services; stating policy and requiring a plan relating to rules and regulations affecting services to persons with mental retardation and related conditions; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the first time.

Cooper moved that S. F. No. 1831 and H. F. No. 1908, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2370, A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1989 Supplement, section 245.94, subdivision 1.

The bill was read for the first time.

Greenfield moved that S. F. No. 2370 and H. F. No. 2133, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2432, A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10.

The bill was read for the first time.

Blatz moved that S. F. No. 2432 and H. F. No. 2706, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2439, A bill for an act relating to education; allowing the Pine Point School to qualify for federal impact aid; amending Minnesota Statutes 1989 Supplement, section 128B.03, subdivision 4.

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

S. F. No. 1821, A bill for an act relating to nursing; allowing nurse practitioners to prescribe and administer drugs and therapeutic devices; authorizing the board of nursing to adopt rules; establishing an interim filing requirement; amending Minnesota Statutes 1989 Supplement, section 148.171; proposing coding for new law in Minnesota Statutes, chapter 148.

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

S. F. No. 1942, A bill for an act relating to insurance; making changes in arbitration proceedings concerning no-fault automobile insurance; amending Minnesota Statutes 1988, section 65B.525, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 72A.327.

The bill was read for the first time.

Winter moved that S. F. No. 1942 and H. F. No. 1897, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1952, A bill for an act relating to health; requiring a study of methods of improving systems for regulating social work and mental health occupations and professions; exempting the board of unlicensed mental health service providers from certain license fee requirements.

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

S. F. No. 1400, A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

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

S. F. No. 1827, A bill for an act relating to civil actions; providing for immunity from liability for unpaid members of county agricultural society boards; addressing reduction of damages in an action under no-fault automobile insurance; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; increasing the amount of claims that may be settled without court approval under the municipal compromise of claims statute; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; providing immunity from liability for volunteer ski patrollers; allowing recovery of attorney fees by good faith reporters under the child abuse reporting act; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 38.013; 65B.51, subdivision 1; 340A.801, by adding a subdivision; 466.08; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; 604.05, subdivision 2; 626.556, subdivision 4; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

The bill was read for the first time.

Orenstein moved that S. F. No. 1827 and H. F. No. 2027, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2299, A bill for an act relating to agriculture; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 30.

The bill was read for the first time.

Clark moved that S. F. No. 2299 and H. F. No. 2253, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1838, A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, section 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

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

S. F. No. 1848, A bill for an act relating to housing; making changes in the home equity conversion loan program, authorizing manufactured home park loan assistance, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; 462A.21, subdivision 9; 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; 462A.057, subdivision 7; 462A.21, subdivisions 8b and 8c; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

The bill was read for the first time.

O'Connor moved that S. F. No. 1848 and H. F. No. 2234, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1958, A bill for an act relating to education; changing school consolidation election procedures; amending Minnesota Statutes 1988, section 122.23, subdivisions 9, 11, 12, and 13.

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

S. F. No. 2061, A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, sections 626A.01, subdivisions 3 and 14; and 626A.02, subdivisions 2 and 4.

The bill was read for the first time.

Seaberg moved that S. F. No. 2061 and H. F. No. 2218, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2136, A bill for an act relating to education; changing the duration and membership of the task force on education organization; amending Laws 1988, chapter 718, article 6, section 23, subdivisions 1, 2, and 7.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 2136 and H. F. No. 2381, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2213, A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2213 and H. F. No. 2373, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. Nos. 2480 and 2457.

H. F. No. 2480, A bill for an act relating to taxation; making technical corrections and administrative changes to property, sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids,

and property tax refunds; making technical corrections and administrative changes to certain aids to local government; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; recodifying and providing for tax administrative, enforcement, and collection procedures; imposing penalties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 116K.04, subdivision 4; 270.65; 270.67, subdivisions 1 and 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 274.01, subdivision 1; 275.54; 287.21, subdivision 2; 290.05, subdivision 4; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 6a, 12, 23, and 24; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 290A.07, subdivision 3; 290A.19; 296.06, subdivision 2; 296.18, subdivisions 2 and 3; 296.25; 297A.01, subdivision 8; 297A.03, subdivision 2; 297A.041; 297A.14, subdivision 1; 297A.18; 297A.211, subdivision 3; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; 477A.011, by adding a subdivision; 524.3-1001; 524.3-301; Minnesota Statutes 1989 Supplement, sections 38.18; 50.14, subdivision 4; 69.021, subdivision 6; 110.70; 118.12; 163.04, subdivision 3; 163.06, subdivision 6; 165.10, subdivision 1; 168.013, subdivision 5; 168A.10, subdivision 1; 270.06; 270.73, subdivision 1; 270B.07, by adding a subdivision; 272.16; 273.01; 273.11, subdivision 1; 290.39, subdivision 4; 290.92, subdivision 4c; 290.9201, subdivisions 7 and 8; 290.9705, subdivision 4; 297A.17; 365.025, subdivision 4; 368.01, subdivision 23; 368.44; 368.47; 370.01; 383.06; 385.31; 386.34; 412.081, subdivision 1; 412.221, subdivision 2; 430.102, subdivision 2; 465.04; 469.177, subdivision 1a; 471.24; 471.73; 475.58, subdivision 2; 475.73, subdivision 1; 477A.011, subdivision 15; 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivision 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3f, 3h, and 6; 287.29, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 290A.07, subdivision 2a; 349.212, subdivision 4; 373.40, subdivision 1; 473F.08, subdivision 8a; 477A.012, subdivision 3; 477A.013, subdivision 3; Laws 1989, chapter 28, section 24; and Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapters 270 and 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 272.70; 290.05, subdivision 5; 290.067, subdivision 5; 290.23, subdivision 15; 290.281, subdivision 5; 290.29; 290.37, as amended; 290.39, as amended; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended;

290.52; 290.521; 290.522; 290.523, as amended; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.612; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18; 290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.37; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; 297A.431; 297A.44, subdivision 2; Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20; Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38; Minnesota Rules, parts 8052.0100; 8052.0200; and 8130.7800.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; restricting loans from proceeds of mortgage revenue bonds under certain circumstances; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19a; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, sections 474A.081, subdivisions 1, 2, and 4; and 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administra-

tion, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for today, Thursday, March 22, 1990:

H. F. Nos. 2626 and 2253; S. F. No. 1087; and H. F. Nos. 2386, 2025, 2184, 2365, 1784, 1977, 2124, 2147, 2234, 2350, 2637, 2016, 2704, 2042, 2462, 2534, 1855, 2151, 2220, 2474, 693 and 2401.

Long moved that H. F. No. 2393, No. 14 on Special Orders pending for today, Thursday, March 22, 1990, be acted upon immediately. The motion prevailed.

The Speaker called Quinn to the Chair.

SPECIAL ORDERS

H. F. No. 2393 was reported to the House.

Milbert moved to amend H. F. No. 2393, the first engrossment, as follows:

Page 4, after line 17, insert:

"Subd. 4. [MANUFACTURER'S LABELING REQUIREMENTS.] On and after January 1, 1991, a manufacturer selling or offering for sale automatic garage door opening systems in this state shall stamp, stencil, mark, or brand on the container and on the system, in a clear and conspicuous manner, the month and year the system was manufactured, and its conformance with UL 325, as required under subdivision 3, paragraph (a)."

Page 5, after line 4, insert:

"Subd. 10. [NONAPPLICATION TO CERTAIN RETAIL SALES.] Nothing in this section prohibits a retailer from selling an automatic garage door opening system that does not comply with subdivision 3 if it was part of the retailer's inventory on January 1, 1991."

Renumber the subdivisions in sequence

The motion prevailed and the amendment was adopted.

Milbert moved to amend H. F. No. 2393, the first engrossment, as amended, as follows:

Page 3, line 36, delete "SALES AND" and insert "MANUFACTURING, SALES, PURCHASES, REPAIRS, OR" and before "No" insert "(a)".

Page 4, line 1, after "shall" insert "manufacture," and before "or" insert "purchase, repair,"

Page 4, after line 3, insert:

"(b) No person shall service or repair an automatic garage door opening system for residential buildings that does not comply with subdivision 3, paragraph (a). This paragraph does not prevent the servicing or repair of an automatic garage door opening system if the system will be in compliance with subdivision 3, paragraph (a), after the repair or service."

Page 4, line 4, delete the first comma and insert "AND" and delete ", AND SALES"

Page 4, line 5, delete the commas and before "built" insert "or"

Page 4, line 6, delete everything before "in"

Page 4, lines 9 and 14, delete "On and after" and insert "No later than"

Page 4, delete lines 12 and 13 and insert "of Underwriters Laboratories, Inc., Standards for Safety-UL 325, third edition, as revised May 4, 1988."

Page 4, line 15, delete "be designed" and insert "include an attached edge sensor, safety beam, or similar device that when activated causes a closing door to open and prevents an open door from closing. This device is to be designed and built so that a failure of the device prevents the door from closing."

Page 4, delete lines 16 to 22

Renumber the remaining subdivisions in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

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 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 2626 was reported to the House.

Johnson, R., moved to amend H. F. No. 2626, the first engrossment, as follows:

Delete page 6, line 21 to page 7, line 8

Renumber subsequent sections and correct internal cross references

Amend the title as follows:

Page 1, line 17, delete "352.96, subdivision 3;"

The motion prevailed and the amendment was adopted.

H. F. No. 2626, A bill for an act relating to retirement; making various changes concerning reserves, coverage, contribution, and administration for the state board of investment, the Minnesota state retirement system, the public employees retirement association, and the Duluth teachers retirement fund association; clarifying certain provisions; changing administrative requirements; amending Minnesota Statutes 1988, sections 11A.18, subdivision 6; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.96, subdivision 4; 353.03, subdivision 3; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; and 353.83; Minnesota Statutes 1989 Supplement, sections 352.021, subdivision 5; 352.93, subdivision 3; 353.01, subdivisions 2b, 11a, and 16; 353.33, subdivision 6; 353.35; and 353.656, subdivisions 1 and 3; repealing Minnesota Statutes 1989 Supplement, section 353.87, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 1087, A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 4.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2386 was reported to the House.

Carlson, D., and Peterson moved to amend H. F. No. 2386, the second engrossment, as follows:

Page 2, after line 5, insert:

"Sec. 2. [EXEMPTION FROM BOND REQUIREMENT.]

Notwithstanding Minnesota Statutes, section 574.26, or other law to the contrary, a bond is not required for a contract for the construction of a solid waste composting facility prior to July 1, 1991, in Kanabec county provided that no payment of any portion of the contract price is required before completion of the project."

Renumber the remaining section

Page 2, line 6, delete "LOCAL APPROVAL" and insert "EFFECTIVE DATE"

Page 2, line 9, after the period insert "Section 2 is effective the day after final enactment."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2386, A bill for an act relating to solid waste management; granting authority to St. Louis county; providing an exemption from the bond requirement for a contract for the construction of a solid waste facility in Kanabec county under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 383C.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Steensma
Sviggum
Swenson
Tjornhom

Tompkins
Trimble
Tunheim
Uphus

Valento
Vellenga
Wagenius
Waltman

Weaver
Welle
Wenzel
Williams

Winter
Spk. Vanasek

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

H. F. No. 2025 was reported to the House.

Tunheim moved to amend H. F. No. 2025, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [21.1196] [RESTRICTED SEED POTATO GROWING AREA.]

Subdivision 1. [DEFINITION.] (a) “Restricted seed potato growing area” means Kittson county.

(b) “Historic certified seed potato area” means the portion of Marshall county included in the towns of Augsburg and Nelson Park that are north of Marshall county highway No. 5.

Subd. 2. [RESTRICTION.] (a) The seed potato certification requirements under sections 21.111 to 21.122 apply to potatoes grown in plots of ten acres or more in the restricted seed potato growing area. Qualifying potatoes grown in the restricted seed potato growing area must be certified as seed potatoes.

(b) The commissioner may enter and inspect plots subject to paragraph (a) during the growing season.

Subd. 3. [PENALTY.] A potato grower who violates subdivision 2, paragraph (a), is subject to a penalty of \$100 per acre of potatoes grown and not certified.

Sec. 2. [HISTORIC CERTIFIED SEED POTATO AREA STUDY.]

In the historic certified seed potato area of Marshall county, the certified seed division of the department of agriculture must study the effect of diseases on seed potatoes in the area, including the effect of diseases from commercial potatoes. The commissioner must prepare a report and submit it to the legislature by December 15, 1991.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, after "area" insert "and historic certified seed potato area; providing restrictions; requiring a study"

The motion prevailed and the amendment was adopted.

H. F. No. 2025, A bill for an act relating to agriculture; creating a restricted seed potato growing area and historic certified seed potato area; providing restrictions; requiring a study; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

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 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 2184 was reported to the House.

Wagenius moved that H. F. No. 2184 be continued on Special Orders. The motion prevailed.

H. F. No. 2365 was reported to the House.

Pugh moved that H. F. No. 2365 be continued on Special Orders. The motion prevailed.

H. F. No. 1784 was reported to the House.

Dempsey moved that H. F. No. 1784 be continued on Special Orders. The motion prevailed.

H. F. No. 1977 was reported to the House.

There being no objection, H. F. No. 1977 was temporarily laid over on Special Orders.

H. F. No. 2124, A bill for an act relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 8; and 169.67, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2147, A bill for an act relating to retirement; establishing a maximum monthly benefit for the surviving spouse and dependent children of basic pension plan members; amending Minnesota Statutes 1988, section 353.31, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2350, A bill for an act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; amending Minnesota Statutes 1988, section 85.053, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2637, A bill for an act relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds; amending Minnesota Statutes 1989 Supplement, section 60A.41.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Frederick	Haukoos
Anderson, G.	Bishop	Clark	Frerichs	Hausman
Anderson, R.	Blatz	Dauner	Girard	Heap
Battaglia	Boo	Dawkins	Greenfield	Henry
Bauerly	Brown	Dempsey	Gruenes	Himle
Beard	Burger	Dille	Gutknecht	Hugoson
Begich	Carlson, D.	Dorn	Hartle	Jacobs
Bennett	Carlson, L.	Forsythe	Hasskamp	Jaros

Jefferson	Marsh	Olson, K.	Reding	Sviggum
Jennings	McDonald	Omann	Rest	Swenson
Johnson, A.	McEachern	Onnen	Rice	Tjornhom
Johnson, R.	McGuire	Orenstein	Richter	Tompkins
Johnson, V.	McLaughlin	Osthoff	Rodosovich	Trimble
Kahn	McPherson	Ostrom	Rukavina	Tunheim
Kalis	Milbert	Otis	Runbeck	Uphus
Kelly	Miller	Ozment	Sarna	Valento
Kelso	Morrison	Pappas	Schafer	Vellenga
Knickerbocker	Munger	Pauly	Scheid	Wagenius
Kostohryz	Murphy	Pellow	Schreiber	Waltman
Krueger	Nelson, C.	Pelowski	Seaberg	Weaver
Lasley	Nelson, K.	Peterson	Segal	Welle
Lieder	Neuenschwander	Poppenhagen	Skoglund	Wenzel
Limmer	O'Connor	Price	Solberg	Williams
Long	Ogren	Pugh	Sparby	Winter
Lynch	Olsen, S.	Quinn	Stanisus	Spk. Vanasek
Macklin	Olson, E.	Redalen	Steensma	

The bill was passed and its title agreed to.

H. F. No. 2016 was reported to the House.

Swenson moved that H. F. No. 2016 be continued on Special Orders. The motion prevailed.

H. F. No. 2704, A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1988, section 82.20, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Poppenhagen	Richter	Seaberg	Swenson	Wagenius
Price	Rodosovich	Segal	Tjornhom	Waltman
Pugh	Rukavina	Skoglund	Tompkins	Weaver
Quinn	Runbeck	Solberg	Trimble	Welle
Redalen	Sarna	Sparby	Tunheim	Wenzel
Reding	Schafer	Stanius	Uphus	Williams
Rest	Scheid	Steensma	Valento	Winter
Rice	Schreiber	Sviggum	Vellenga	Spk. Vanasek

The bill was passed and its title agreed to.

Anderson, R.; Milbert and Pugh were excused for the remainder of today's session.

H. F. No. 2042 was reported to the House.

Bennett, Milbert, Scheid, Sarna, Bishop, Heap, Kinkel and Anderson, R., moved to amend H. F. No. 2042, as follows:

Page 2, delete lines 15 to 17

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 2042, as amended, as follows:

Page 2, after line 14, insert:

"Subd. 3. [LOCAL REGULATION.] Nothing in this section prevents local units of government from enacting more stringent regulations relating to the location of vending machine sales of tobacco."

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Girard	Jacobs	Knickerbocker
Anderson, G.	Carlson, D.	Greenfield	Janezich	Kostohryz
Battaglia	Carlson, L.	Gruenes	Jaros	Krueger
Bauerly	Carruthers	Gutknecht	Jefferson	Lasley
Beard	Clark	Hartle	Johnson, A.	Lieder
Begich	Dauner	Hasskamp	Johnson, R.	Limmer
Bennett	Dempsey	Haukoos	Johnson, V.	Long
Bertram	Dille	Hausman	Kahn	Lynch
Bishop	Dorn	Heap	Kalis	Macklin
Blatz	Forsythe	Henry	Kelly	Marsh
Boo	Frederick	Himle	Kelso	McDonald
Brown	Frerichs	Hugoson	Kinkel	McEachern

McGuire	Onnen	Price	Seaberg	Tunheim
McLaughlin	Orenstein	Quinn	Segal	Uphus
McPherson	Osthoff	Redalen	Skoglund	Valento
Miller	Ostrom	Reding	Solberg	Vellenga
Morrison	Otis	Rest	Sparby	Wagenius
Munger	Ozment	Richter	Stanius	Waltman
Murphy	Pappas	Rodosovich	Steensma	Weaver
Nelson, K.	Pauly	Rukavina	Sviggum	Welle
O'Connor	Pellow	Runbeck	Swenson	Williams
Olsen, S.	Pelowski	Sarna	Tjornhom	Winter
Olson, E.	Peterson	Schafer	Tompkins	Spk. Vanasek
Omann	Poppenhagen	Schreiber	Trimble	

Those who voted in the negative were:

Jennings	Neuenschwander	Scheid
Nelson, C.	Olson, K.	Wenzel

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 2042, as amended, as follows:

Page 1, line 11, before "Tobacco" insert "Tobacco may not be offered for sale in a public place owned by the state or owned by a political subdivision of the state, including a school district."

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 59 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Knickerbocker	Onnen	Segal
Anderson, G.	Hartle	Krueger	Orenstein	Skoglund
Battaglia	Hasskamp	Limmer	Osthoff	Stanius
Bishop	Haukoos	McDonald	Otis	Steensma
Blatz	Heap	McGuire	Ozment	Tjornhom
Burger	Henry	McLaughlin	Pappas	Tompkins
Clark	Himle	McPherson	Pauly	Valento
Dauner	Jaros	Munger	Price	Vellenga
Dille	Jennings	Murphy	Redalen	Wagenius
Forsythe	Kahn	Nelson, K.	Richter	Waltman
Frederick	Kalis	Neuenschwander	Rodosovich	Weaver
Frerichs	Kinkel	Olsen, S.	Seaberg	

Those who voted in the negative were:

Bauerly	Carruthers	Jacobs	Lasley	O'Connor
Beard	Dawkins	Janezich	Lieder	Olson, E.
Begich	Dempsey	Jefferson	Lynch	Olson, K.
Bennett	Dorn	Johnson, A.	Marsh	Omann
Bertram	Girard	Johnson, R.	McEachern	Ostrom
Boo	Gruenes	Johnson, V.	Miller	Pellow
Brown	Hausman	Kelso	Morrison	Pelowski
Carlson, L.	Hugoson	Kostohryz	Nelson, C.	Peterson

Poppenhagen	Rukavina	Solberg	Tunheim	Winter
Quinn	Runbeck	Sparby	Uphus	Spk. Vanasek
Reding	Schafer	Sviggunn	Welle	
Rest	Scheid	Swenson	Wenzel	
Rice	Schreiber	Trimble	Williams	

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

H. F. No. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; proposing coding for new law in Minnesota Statutes, chapter 325E.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Stanius

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

Anderson, G., and Carlson, D., were excused for the remainder of today's session.

Speaker pro tempore Quinn called Rodosovich to the Chair.

H. F. No. 1977 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 1977, A bill for an act relating to veterans; providing for an executive director appointed by the veterans homes board; amending Minnesota Statutes 1988, section 198.004.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2462, A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2534 was reported to the House.

Otis moved that H. F. No. 2534 be continued on Special Orders. The motion prevailed.

H. F. No. 1855 was reported to the House.

Kelly moved that H. F. No. 1855 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2151, A resolution memorializing the President and Congress of the United States to maintain the federal subsidy for federal crop insurance.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2220 was reported to the House.

There being no objection, H. F. No. 2220 was continued on Special Orders.

H. F. No. 2474 was reported to the House.

Skoglund moved to amend H. F. No. 2474, the first engrossment, as follows:

Page 4, line 29, delete "additional persons who are" and insert "at least one person, in addition to the insured, who is"

Page 4, line 30, after the period insert "The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two additional persons is optional and must provide space clearly designated for listing between one and three persons."

The motion prevailed and the amendment was adopted.

H. F. No. 2474, A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 693 was reported to the House.

There being no objection, H. F. No. 693 was continued on Special Orders.

H. F. No. 2401, A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning

devices and flaggers; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

H. F. No. 2162 was reported to the House.

Williams moved to amend H. F. No. 2162, the first engrossment, as follows:

Page 1, delete section 1

Page 7, delete section 11

Page 9, delete section 13

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Krueger moved to amend H. F. No. 2162, the first engrossment, as amended, as follows:

Page 2, lines 6 to 27, delete section 2 from the bill

The motion prevailed and the amendment was adopted.

H. F. No. 2162, A bill for an act relating to the operation of state government; changing certain procedures and limits for contracts with the state; establishing an advisory task force; authorizing reimbursement of certain expenses; changing certain vehicle marking and color provisions; clarifying certain transfer authority; amending Minnesota Statutes 1988, sections 16B.09, by adding a subdivision; 16B.17, subdivisions 3 and 4; 16B.24, subdivision 10; 16B.41, subdivision 4; 16B.58, subdivision 7; and Minnesota Statutes 1989 Supplement, sections 16B.28, subdivision 3; 16B.54, subdivision 2; and 40.46, subdivision 1.

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 120 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown	Frederick	Heap	Johnson, R.
Battaglia	Burger	Frerichs	Henry	Johnson, V.
Bauerly	Carruthers	Girard	Himle	Kahn
Beard	Clark	Greenfield	Hugoson	Kalis
Begich	Dauner	Gruenes	Jacobs	Kelly
Bennett	Dawkins	Gutknecht	Janezich	Kelso
Bertram	Dempsey	Hartle	Jaros	Kinkel
Bishop	Dille	Hasskamp	Jefferson	Knickerbocker
Blatz	Dorn	Haukoos	Jennings	Kostohryz
Boo	Forsythe	Hausman	Johnson, A.	Krueger

Lasley	Munger	Ozment	Rukavina	Tjornhom
Lieder	Murphy	Pappas	Runbeck	Tompkins
Limmer	Nelson, C.	Pauly	Sarna	Trimble
Long	Nelson, K.	Pellow	Schafer	Tunheim
Lynch	Neuenschwander	Pelowski	Schreiber	Uphus
Macklin	O'Connor	Peterson	Seaberg	Vellenga
Marsh	Ogren	Poppenhagen	Segal	Wagenius
McDonald	Olsen, S.	Price	Skoglund	Waltman
McEachern	Olson, E.	Quinn	Solberg	Weaver
McGuire	Olson, K.	Redalen	Sparby	Welle
McLaughlin	Omann	Reding	Stanis	Wenzel
McPherson	Onnen	Rest	Steensma	Williams
Miller	Orenstein	Richter	Swiggum	Winter
Morrison	Ostrom	Rodosovich	Swenson	Spk. Vanasek

Those who voted in the negative were:

Osthoff Scheid

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

The Speaker resumed the Chair.

H. F. No. 1855 which was temporarily laid over earlier today was again reported to the House.

Blatz and Hasskamp moved to amend H. F. No. 1855, the first engrossment, as follows:

Page 12, after line 12, insert:

“Sec. 15. [518.179] [CUSTODY WHEN PARENT CONVICTED OF CERTAIN OFFENSES.]

Subdivision 1. [SEEKING CUSTODY.] Notwithstanding any contrary provisions in section 518.17, if a parent seeking custody of a child has been convicted of a crime described in subdivision 3, the parent seeking custody has the burden to prove that custody by that parent is in the best interests of the child. The court shall not grant custody to a parent convicted of a crime described in subdivision 3 unless it finds that such custody is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof is clear and convincing evidence.

Subd. 2. [MODIFICATION OF CUSTODY.] Notwithstanding any contrary provisions in section 518.18, if a parent with custody of a child is convicted of a crime described in subdivision 3, the noncustodial parent or any other person who may seek custody under section 518.156 may seek modification of the custody order. The person seeking modification must give written notice to the custo-

dial parent, and the custodial parent must file a response with the court and the moving party within 20 days. A hearing on the matter must be held not later than 30 days after the custodial parent's response is filed with the court.

The custodial parent has the burden at the hearing to prove that continuing custody in that parent is in the child's best interests. The court shall modify the custody order unless it finds that continued custody in the parent who has been convicted of a crime described in subdivision 3 is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof is clear and convincing evidence.

Subd. 3. [APPLICABLE CRIMES.] This section applies to the following crimes or similar crimes under the laws of the United States, or any other state;

(1) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(2) manslaughter in the first degree under section 609.20;

(3) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(4) kidnapping under section 609.25;

(5) depriving another of custodial or parental rights under section 609.26;

(6) soliciting, inducing, or promoting prostitution involving a minor under section 609.322;

(7) receiving profit from prostitution involving a minor under section 609.323;

(8) criminal sexual conduct in the first degree under section 609.342;

(9) criminal sexual conduct in the second degree under section 609.343;

(10) criminal sexual conduct in the third degree under section 609.344, subdivision 1, paragraph (c), (f), or (g);

(11) solicitation of a child to engage in sexual conduct under section 609.352;

(12) incest under section 609.365;

(13) malicious punishment of a child under section 609.377; or

(14) neglect of a child under section 609.378."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 7, after "visitation" insert "and custody"

Page 1, line 8, delete "noncustodial"

Page 1, line 18, after "2" insert "; proposing coding for new law in chapter 518"

The motion prevailed and the amendment was adopted.

Blatz moved to amend H. F. No. 1855, the first engrossment, as amended, as follows:

Page 18, lines 29 and 30, delete "or other compelling reason"

The motion prevailed and the amendment was adopted.

H. F. No. 1855, A bill for an act relating to family law; modifying dissolution statistical report requirements; regulating child custody and visitation in dissolution and other proceedings; modifying standards for joint legal custody; providing for the award of temporary attorney fees; providing standards for visitation and custody rights when a parent has been convicted of certain crimes; providing funding for legal representation in family law matters; amending Minnesota Statutes 1988, sections 144.224; 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.131, subdivisions 1 and 7; 518.14; 518.156; 518.167, subdivision 2; 518.175, by adding a subdivision; 518.551, subdivision 5; and 518.619; Minnesota Statutes 1989 Supplement, sections 518.17, subdivision 2; 518.175, subdivisions 1 and 5; and 518.64, subdivision 2; proposing coding for new law in chapter 518.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

GENERAL ORDERS

Long 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

McEachern from the Committee on Education to which was referred:

H. F. No. 2200, A bill for an act relating to education; providing for department of education initiatives; amending Minnesota Statutes 1988, sections 122.94, subdivision 5; 123.3514, subdivisions 6 and 6b; 123.9361; 123.947; and 125.231, subdivision 6; Minnesota Statutes 1989 Supplement, sections 121.912, subdivision 1b; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 4; 129.128; and 141.35; and Laws 1989, chapter 329, article 11, section 15, subdivisions 2 and 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 1988, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, ~~124A~~, 125, 126, 129B, and 134 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient. ~~However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid.~~ Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. An excess in the direct appropriation for general education aid authorized in chapter 124A must revert to the general fund, and a deficiency must be funded as provided in section 124A.032. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 2. Minnesota Statutes 1988, section 124.195, is amended by adding a subdivision to read:

Subd. 12. [AID ADJUSTMENT FOR TRA CONTRIBUTION RATE CHANGE.] (a) Beginning in fiscal year 1991 and continuing each year thereafter, aids paid to school districts, education cooperative service units, special education cooperatives, secondary vocational cooperatives, regional management information centers, or another unit providing elementary or secondary education services must be reduced by the department of education by an amount equal to the following percent of salaries paid by the unit to members of the teachers retirement association established in chapter 354, except that salaries paid to members of this association who are employed by technical colleges must be excluded from this calculation:

(1) in fiscal year 1991, 0.84 percent,

(2) in fiscal year 1992 and later years, the greater of

(i) zero, or

(ii) 4.48 percent less the additional employer contribution rate established by the board of trustees under section 354.42, subdivision 5.

(b) In fiscal year 1991, this reduction is estimated to equal \$14,260,000.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount 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 must be held on the first Tuesday after the first Monday in November. However, in a district where a referendum levy that has been authorized before the effective date of this section expires and results in a district having no remaining referendum authority, a referendum to reauthorize the expiring levy may be held on a date determined by the school board that complies with the requirements of section 205A.05. The referendum to reauthorize may be held only once, and a district holding a referendum to reauthorize must not hold in the same calendar year another referendum of any kind authorized by this subdivision. The amount of the reauthorized levy must not exceed the amount certified in the last year the expiring levy was certified. The ballot shall state the maximum amount of the increased levy 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 shall designate the 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:

"Shall the increase in the levy proposed by (petition to) the board of, School District No. . ., be approved?"

If approved, the amount provided by the approved tax capacity rate applied to 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.

(b) The school board shall prepare and deliver by first class mail at

least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) 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 paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) 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. 4. Minnesota Statutes Second 1989 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual fund balance pupil units in the prior year. In this subdivision only, "fund balance pupil units" means the number of pupil units in average daily membership attending in the district. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 5. [FORMULA ALLOWANCE ASSUMPTIONS.]

Notwithstanding Minnesota Statutes, section 16A.10, the department of education shall prepare and the governor shall submit to the legislature a detailed budget under section 16A.11 that includes an education aids budget change request based on a basic revenue formula allowance of \$3,071 per pupil unit and a supplemental revenue allowance of \$386 per pupil unit for fiscal year 1992. The governor shall include a specific recommendation regarding the general education formula allowance for fiscal year 1992 as part of the governor's budget submittal to the 1991 legislature.

Sec. 6. [SCHOOL DISTRICT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 124A.03, subdivision 2, independent school districts Nos. 118, Remer, 622, North St. Paul-Maplewood, and 656, Faribault, may conduct before November 1990 a levy referendum authorized by that section.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 6 is effective the day after the governing bodies of independent school districts Nos. 118, Remer, 622, North St. Paul-Maplewood, and 656, Faribault, comply with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 1, is amended to read:

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

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

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

(1) all expenditures for transportation in the regular category, as defined in paragraph (e), clause (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 $12\frac{1}{2}$ 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 $33\frac{1}{3}$ percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

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

(d) "Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) For purposes of this section, "transportation category" means a category of transportation service provided to pupils:

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

board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone;

(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, drug, or crime 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 1986-1987 and 1987-1988 base 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 excess transportation as defined in paragraph (e), clause (3),

(2) to the sum of:

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

(ii) the number of FTE pupils transported in the excess category in the base year.

(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.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

(m) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) 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;

(2) raise the result in clause (1) to the one-fifth power;

(3) divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(n) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(o) "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.

(p) "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.

(q) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) multiply the district's sparsity index by 20;

(2) select the ~~greater~~ lesser of one or the result in clause (1);

(3) 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 (2).

(r) "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.

(s) "Regular transportation allowance" for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(t) "Minimum regular transportation allowance" for the 1990-1991 school year and after means the result of the following computation:

(1) 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);

(2) divide the result in clause (1) 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;

(3) select the lesser of the result in clause (2) or the district's base cost for the 1989-1990 base year according to paragraph (j).

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 3a, is amended to read:

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 and \$421 for the 1989-1990 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.

Sec. 3. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(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, excluding revenue based on the minimum regular transportation allowance, 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.

Sec. 4. Minnesota Statutes 1989 Supplement, 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) the base cost for the fiscal year to which the levy is attributable, by the 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 fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, drug, or crime hazards.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1988, section 121.88, subdivision 6, is amended to read:

Subd. 6. [PROGRAMS FOR HANDICAPPED ADULTS WITH DISABILITIES.] A school board may offer, as part of a community education program, a program for handicapped adults with disabilities. Boards are encouraged to offer programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

- (1) services enabling the adults to participate in community activities or community education classes;
- (2) classes specifically for handicapped adults with disabilities;
- (3) outreach activities to identify adults needing service;
- (4) activities to increase public awareness of the roles of handicapped people with disabilities;
- (5) activities to enhance the role of handicapped people with disabilities in the community; and
- (6) other direct and indirect services and activities benefiting handicapped adults with disabilities.

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 129B.56.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

For a course having an independent study component, the pupil must complete coursework and receive credit for each course for which the aid is claimed.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's

parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be prorated for a pupil receiving fewer than six credits in a year.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

A Beginning with the 1989-1990 school year, and each school year thereafter, an independent study credit for a year in an approved alternative program shall, for the purposes of audit, be considered to be 170 hours of teacher contact time and independent study time satisfactorily completed coursework.

General education revenue for a pupil enrolled in an independent study course may be claimed for each hour of teacher contact time and each hour of satisfactory coursework completed toward a credit necessary for graduation.

Sec. 3. [124.325] [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

Subdivision 1. [COMMISSIONER APPROVAL.] (a) The commissioner of education may approve proposals submitted by independent school district No. 625, St. Paul, and up to nine additional school districts for a program to reorganize the delivery of specialized instructional services during the 1990-1991, 1991-1992, and 1992-1993 school years. The objective of the program must be to provide services under an experimental model for pupils who:

(1) based on documented experiences, would probably be identified for special education and related services under section 120.17, if the early intervention services and programs were not provided; or

(2) are eligible for special education and related services under section 120.17.

(b) Pupils may be provided services during extended school days or throughout the entire year.

Subd. 2. [PUPILS' RIGHTS.] Any pupil participating in this program must be individually evaluated based upon the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to procedural protections similar to those procedural protections provided under Public Law Number 94-142 in any matter that affects the identification, evaluation, placement, or change in placement of a pupil. A participating district must ensure the protection of a pupil's civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply with this subdivision will at least cause a district to become ineligible to participate in this program. Notwithstanding subdivision 5, a pupil's rights under this subdivision cannot be waived.

Subd. 3. [PROPOSAL CONTENTS.] The proposal must set forth:

(1) a detailed description of the experimental program and instructional services for eligible pupils, as defined in section 124.311, subdivision 3, and handicapped pupils, as defined in section 120.03;

(2) the specific criteria used to select individual pupils for the program;

(3) a description of the methods used to involve parents of pupils in the program;

(4) the staff, equipment, procedures, and monitoring needed to implement the program;

(5) staff development plans for teachers who are affected by the program;

(6) annual review and evaluation procedures conducted by an impartial evaluator whose selection is agreed upon by the district submitting the proposal and the commissioner; and

(7) any other information requested by the commissioner.

Subd. 4. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information set forth in section 124.311, subdivision 7.

Subd. 5. [RULE WAIVER.] To the extent a rule of the state board of education impedes implementation of an approved alternative delivery system, it is waived for the 1990-1991, 1991-1992, and 1992-1993 school years. The commissioner shall identify rules that are waived.

Subd. 6. [REVENUE AVAILABLE.] For fiscal year 1991, a district with an approved program shall receive the sum of the revenue it received for fiscal year 1990 for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10; and 275.125, subdivision 8c, multiplied by an inflation adjustment factor of 1.03. For each of fiscal years 1992 and 1993, the amount to be paid to a district with an approved program must be the amount paid for the previous fiscal year multiplied by an inflation adjustment factor of 1.03.

For fiscal years 1991, 1992, and 1993, the ratio of aid payments for special education under section 124.32, subdivisions 1b, 2, 5, and 10, to the levy for special education salaries under section 275.125, subdivision 8c, equals the ratio for fiscal year 1990.

For any fiscal year, aid for a district with an approved program must be prorated in the same manner that special education aid is prorated for other districts.

For fiscal years 1991, 1992, and 1993, the state must not pay a district with an approved program any aid under section 124.32, subdivisions 1b, 2, 5, and 10, and the district must not levy under section 275.125, subdivision 8c, except for secondary vocational handicapped teacher salaries, limited English proficiency teacher salaries, deficiencies, and other adjustments for previous years.

Sec. 4. Minnesota Statutes 1989 Supplement, section 124.573, subdivision 2d, is amended to read:

Subd. 2d. [ADMINISTRATION.] In making the computation in subdivision 2b, paragraph (a), clause (1), the salaries of ~~the administrator and administrators~~, support service ~~facilitator~~ facilitators, vocational evaluators, and supplemental support staff/technical tutors must be apportioned among programs based on the number of full-time-equivalent instructors in each program.

Sec. 5. Minnesota Statutes 1989 Supplement, section 124.90, subdivision 2, is amended to read:

Subd. 2. [FUNDING.] A school district that provides a covered service to an eligible person and complies with relevant requirements of the medical assistance program shall be entitled to receive payment for the service provided, including that portion of the payment that will subsequently be reimbursed by the federal government, in the same manner as other medical assistance providers. Federally funded health care reimbursement funds are supplemental and must not be used to reduce any other federal payments, state aid payments, or private payments for special education funding. The school district is not required to provide matching funds or pay part of the costs of the service, as long as the rate charged for the service does not exceed medical assistance limits that apply to all medical assistance providers.

Sec. 6. Minnesota Statutes 1988, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general education aid for districts must be adjusted for each pupil, excluding a handicapped pupil as defined in section 120.03 or a nonhandicapped pupil as defined by section 120.181, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district providing special instruction and services to a handicapped pupil, as defined in section 120.03, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by an educational cooperative service unit, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for nonhandicapped pupils rather than to calculate general education aid adjustments under clause (a), (b), or (c). The tuition must be equal to the average general education revenue per pupil unit attributable to the student, or the actual cost, whichever is less.

Sec. 7. [126.515] [LONG-RANGE INDIAN EDUCATION PLAN.]

(a) Any district and any participating school or American Indian school providing programs under sections 126.45 to 126.55 must

develop a long-range plan for the education of American Indians. The plan must include:

(1) a description of the current status of education programs for American Indians, including the relationship and role of all available programs and resources for attaining goals;

(2) an assessment of the educational needs of American Indians within the district;

(3) a listing of district goals for the education of American Indians in the district; and

(4) a consideration of the entire scope of district programs and services that impact upon the educational and culturally related academic needs of American Indian students.

(b) The plan must be developed in conjunction with the parent committee established under section 126.51.

Sec. 8. Minnesota Statutes 1989 Supplement, section 128B.03, subdivision 4, is amended to read:

Subd. 4. [DISTRICT 309 FEDERAL AID.] (a) The school board of independent school district No. 309 must transfer to the council, to the extent permissible, any federal aids or grants which the school district is eligible for or entitled to because of:

(1) the population in the experimental school attendance area;

(2) the pupils actually attending the experimental school;

(3) the program of the experimental school;

(4) the boundaries of the attendance area of the experimental school; or

(5) a related reason.

(b) For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to Code of Federal Regulations, title 34, section 222.80. The school and the land must not be included, for the purpose of determining federal impact aid, in independent school district No. 309.

Sec. 9. Minnesota Statutes 1988, section 141.25, subdivision 7, is amended to read:

Subd. 7. [MINIMUM STANDARDS.] No license shall be issued unless the commissioner first determines:

(a) That the applicant has a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body; to provide adequate service to its students and prospective students; and for the proper use and support of the school to be maintained;

(b) That the applicant has satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to train adequately the students currently enrolled, and those proposed to be enrolled;

(c) That the applicant employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(d) That the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

(e) That each occupational course or program of instruction or study shall be of such quality and content as to provide education and training, which will adequately prepare enrolled students for entry level positions in the occupation for which trained;

(f) That the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;

(g) That the contract or enrollment agreement used by the school complies with the following provisions:

(1) The name and address of the school must be clearly stated;

(2) Inclusion of a clear and conspicuous disclosure that such agreement becomes a legally binding instrument upon written acceptance of the student by the school unless canceled pursuant to section 141.271;

(3) Must contain the school's cancellation and refund policy which shall be clearly and conspicuously entitled, "Buyer's Right to Cancel";

(4) The total cost of the course including tuition and all other charges shall be clearly stated;

(5) The name and description of the course, including the number of hours or credits of classroom instruction and/or home study lessons shall be included;

(6) No contract or agreement shall contain a wage assignment provision and/or a confession of judgment clause;

(7) Each contract or enrollment agreement shall contain a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Sec. 10. Minnesota Statutes 1988, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG OR BROCHURE.] Before a license is issued to a school, other than one which offers exclusively a correspondence course of instruction, the school shall furnish to the commissioner a catalog or brochure containing the following:

(1) identifying data, such as volume number and date of publication;

(2) name and address of the school and its governing body and officials;

(3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) school policy and regulations on enrollment including dates and specific entrance requirements for each course;

(5) school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;

(8) detailed schedule of fees, charges for tuition, books, supplies,

tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) policy and regulations, including an explanation of section 141.271, about refunding tuition, fees, and other charges if the student does not enter the course, withdraws, or is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, clock hours, or credits to be spent on each subject or unit; and

(12) policy and regulations about granting credit for previous education and training.

Sec. 11. Minnesota Statutes 1989 Supplement, 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 attorney general 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 intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(p) Classes, courses, or seminars providing 16 or fewer hours of instruction;

(q) Classes, courses, or programs intended to prepare persons for careers as models or in acting; and

(r) Educational training or instructional programs in which one instructor teaches an individual student.

The revisor of statutes is directed to change the phrase "handicapped adults" wherever it appears in Minnesota Statutes to "adults with disabilities."

Sec. 13. [EFFECTIVE DATE.]

Section 3 is effective July 1, 1990. Section 7 is effective the day after final enactment. Section 8 is retroactively effective July 1, 1989.

ARTICLE 4

DRUG PREVENTION AND OTHER COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1988, section 121.882, is amended by adding a subdivision to read:

Subd. 1a. [DISTRICT PLAN.] A district or group of districts providing an early childhood family education program must develop a plan to provide services to diverse populations within the district or districts. A plan must provide methods to ensure that the families participating in early childhood family education programs reflect the demographics of the districts; however, a plan may provide for serving a higher percentage of children with barriers to learning and development than the percentage of children with such barriers in the district or districts as a whole. All plans must be submitted to the department of education for approval.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] (a) Except as provided in paragraph (b), 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.

(b) An early childhood family education program may serve children in kindergarten and early elementary grades and their parents if the program is planned and implemented in conjunction with children's regular classroom teacher. The district may establish eligibility criteria for the early childhood family education program under this paragraph.

(c) 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;

(7) information on related community resources; or

(8) other programs or activities.

(d) 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. 3. Minnesota Statutes 1988, section 121.882, subdivision 9, is amended to read:

Subd. 9. [ASSISTANCE.] The department of education shall provide assistance to districts with programs described in this section. The department must establish guidelines that list barriers to learning and development affecting children served by early childhood family education programs.

Sec. 4. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM REVENUE.] (a) ~~The maximum revenue for early childhood family education programs for 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 \$87.75 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;

(b) For 1992 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 \$96.50 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.

Sec. 5. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 2, is amended to read:

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

(a) any pupil who, except for eligibility under clause (6), is between the ages of 12 and 16 and who:

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

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

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

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

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

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

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

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

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

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

(e) beginning with the 1989-1990 school year, any elementary school pupil who is determined by the district of attendance to be at risk of not succeeding at school; or

(f) notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

Sec. 6. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 3, is amended to read:

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

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

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

(d) A pupil who is eligible under subdivision 2, clause (a), (b), ~~or~~

(c), or (e) may enroll part time or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence to provide educational services.

(e) An eligible institution providing eligible programs as defined in this subdivision may contract with an entity providing adult basic education programs under the community education program contained in section 121.88 for actual program costs.

Sec. 7. Minnesota Statutes 1988, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan for any of the following purposes:

(1) for in-service education to increase the effectiveness of teachers in responding to children and young people at risk of not succeeding at school, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;

(2) to participate in the educational effectiveness program according to section 121.609;

(2) (3) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;

(3) (4) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) (5) to use experienced teachers, as mentors, to assist in the continued development of new teachers;

(5) (6) to increase the involvement of parents, business, and the community in education;

(6) (7) for experimental delivery systems;

(7) (8) for in-service education to increase the effectiveness of principals and administrators;

(8) (9) for in-service education or curriculum development for programs for gifted and talented pupils;

(9) (10) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;

(10) (11) for improving curriculum, according to the needs identi-

fied under the planning, evaluation, and reporting process set forth in section 126.666;

(11) (12) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;

(12) (13) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(13) (14) for short-term contracts as described in section 126.72; or

(14) (15) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills.

Sec. 8. [PARENTING PROGRAMS.]

Subdivision 1. [MODEL SITES.] The commissioner of education shall select up to 20 districts or groups of districts to serve as model sites to develop programs for kindergarten and early elementary grade children and their parents. To the extent possible, the model sites must be geographically distributed throughout the state. To be eligible to serve as a model site, a district or group of districts must offer an early childhood family education program under Minnesota Statutes, section 121.882. Any district selected as a model site that has a proportionately large number of children a local welfare agency has determined have been maltreated or need protective services under Minnesota Statutes, section 626.556, subdivision 10, may provide after school hours and on Saturday early childhood family education programs that involve children's parent or parents.

Subd. 2. [CRITERIA.] The commissioner shall establish criteria for selecting model sites in consultation with the state curriculum advisory committee and appropriate groups advising the department on early childhood family education. The criteria must involve the child's parent, the child's regular classroom teacher, and community-based social service agencies, and include the program characteristics specified in Minnesota Statutes, section 121.882, subdivision 2b. The criteria must ensure that the families participating in early childhood family education programs reflect the demographics of the districts. At least two districts selected as model sites must make transportation available to any family these districts determine to be at risk; the districts must transport the family between the family's residence and the site of an early childhood family education program. District plans must provide for services to diverse populations within the district or districts and must ensure frequent and convenient telephone contact between parents and teachers by making available telephones in the classroom according to Minnesota Statutes, section 237.065.

Subd. 3. [GRANTS.] The commissioner may make grants to the districts or groups of districts selected as model sites to develop programs for children in kindergarten and early elementary grades and their parents.

Subd. 4. [EVALUATION.] The commissioner shall provide for an evaluation of the model sites and shall recommend to the education committees of the legislature by January 1, 1992, whether or not programs for kindergarten and early elementary children and their parents should be extended statewide. If the commissioner recommends that the programs be made available statewide, the commissioner also shall recommend a process for implementing the program. The commissioner shall evaluate the effectiveness of the parenting programs as a component of the drug prevention initiative.

Sec. 9. [TARGETING CHILDREN AND YOUNG PEOPLE FOR SERVICES.]

Subdivision 1. [TARGETED CHILDREN AND YOUNG PEOPLE.] Targeted children and young people are those individuals, whether or not enrolled in school, who are under 21 years of age and who:

- (1) are school dropouts;
- (2) have failed in school;
- (3) have become pregnant;
- (4) are economically disadvantaged;
- (5) are children of drug or alcohol abusers;
- (6) are victims of physical, sexual, or psychological abuse;
- (7) have committed a violent or delinquent act;
- (8) have experienced mental health problems;
- (9) have attempted suicide;
- (10) have experienced long-term physical pain due to injury;
- (11) are at risk of becoming or have become drug or alcohol abusers;
- (12) have experienced homelessness;

(13) have been excluded or expelled from school under Minnesota Statutes, sections 127.26 to 127.39;

(14) have been adjudicated children in need of protection or services; or

(15) have displayed traits or behaviors that may interfere with learning.

Subd. 2. [REPORT REQUIRED.] Each ECSU shall report to the education department by November 15, 1990, districts' strategies for delivering services to targeted children and young people in kindergarten through grade 12. Based upon a compilation of the ECSU reports, the commissioner of education shall recommend to the education committees of the legislature and the office of drug policy by January 1, 1991, those services and strategies that meet the needs of targeted children and young people.

Subd. 3. [REPORT CONTENT.] The department shall develop the form and content of the ECSU report. The report must at least identify:

(1) components of the service delivery system;

(2) persons involved in training district staff to assist targeted children and young people;

(3) individuals and institutional resources available to assist targeted children and young people; and

(4) how to coordinate community services and school programs to best serve targeted children and young people.

Sec. 10. [STUDENT SERVICE PROFESSIONALS.]

Subdivision 1. [STAFFING OPTIONS.] For the purposes of this section, student service professionals include elementary school counselors, elementary school social workers, and elementary school chemical health specialists. A district operating an elementary school may employ one or more student service professionals to serve elementary school children targeted under section 9, subject to the following conditions:

(1) a single elementary school may employ an elementary school counselor, an elementary school social worker, or an elementary school chemical health specialist;

(2) multiple schools within a single district may share one or more student service professionals on a districtwide basis;

(3) two or more districts may cooperate to employ one or more student service professionals if the individual districts have insufficient populations or funds to employ a student service professional; or

(4) a district or group of districts may contract with a social service agency for the services of one or more student service professionals.

Subd. 2. [ELIGIBILITY FOR FUNDING.] To be eligible to receive funding for an elementary school counselor, an elementary school social worker, or an elementary chemical health specialist to serve targeted children, a district or group of districts must submit to the department of education by July 15, 1990, a proposal to contract for or employ one or more student service professionals. The proposal must be in the form and manner prescribed by the department. The commissioner of education shall establish criteria for selecting proposals for funding.

Sec. 11. [GRANTS TO MEET THE NEEDS OF TARGETED CHILDREN AND YOUNG PEOPLE.]

Subdivision 1. [PLANNING GRANTS.] (a) The commissioner of education may award up to 20 planning grants to districts, community groups, or regional entities to:

(1) train individuals working with targeted children and young people;

(2) expand a community's ability to meet the needs of targeted children and young people by locating appropriate services and resources at or near a school site; and

(3) involve parents of targeted children and young people more fully in the education process.

(b) All planning grant recipients must offer vocational training or employment services, health screening and referrals, and mental health or family counseling.

Subd. 2. [IMPLEMENTATION GRANTS.] Grants may be awarded to six of the 20 planning grant recipients to implement their plans for meeting the needs of targeted children and young people.

Subd. 3. [DEPARTMENT'S ROLE.] The commissioner of education shall develop criteria for awarding planning grants and implementation grants. The criteria must include:

(1) targeting families confronting social or economic adversity;

(2) offering programs to targeted children and young people during and after school hours and during the summer;

(3) recognizing cultural and linguistic diversity among an area's population; and

(4) involving targeted children and young people in the planning and implementing processes.

Subd. 4. [EVALUATION.] The commissioner of education shall provide for an evaluation of the demonstration sites and report to the legislature by February 1, 1992.

Sec. 12. [HEAD START AND PUBLIC SCHOOL COLLABORATION.]

Subdivision 1. [DEMONSTRATION PROGRAM.] The commissioner of jobs and training, in consultation with the commissioner of education, shall award up to 12 grants to existing head start agencies to provide demonstration programs that address the developmental needs of young children. The commissioner of jobs and training and the commissioner of education shall establish criteria for selecting and evaluating a demonstration program.

Subd. 2. [PROGRAM CHARACTERISTICS.] A head start agency receiving a grant under subdivision 1 must develop a program that:

(1) includes head start eligibility criteria and performance standards from the department of jobs and training;

(2) has, as its major focus, the prevention of inappropriate drug use and high risk behavior;

(3) facilitates the transition of children from a head start program to a school environment;

(4) includes collaboration with the local school district;

(5) includes substantial parental involvement; and

(6) coordinates program resources with community resources.

Subd. 3. [PRIORITY.] To the extent possible:

(1) the program sites must be geographically distributed throughout the state;

(2) the program sites must be located at or near local public elementary schools; and

(3) at least four of the program sites must be located at or near four sites selected under to provide early childhood family education to children in kindergarten and early elementary grades and their parents.

Sec. 13. [USE OF REVENUE INCREASE.]

Districts are encouraged to use the increase in revenue for the 1991-1992 school year for early childhood family education programs to expand services to children in early elementary grades and their parents.

Sec. 14. [COMMISSIONER OF JOBS AND TRAINING APPROPRIATION.]

\$1,000,000 is appropriated in fiscal year 1991 from the general fund to the commissioner of jobs and training to make grants according to section 12. Up to \$50,000 of this appropriation may be used for evaluation.

Sec. 15. [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 indicated.

Subd. 2. [EARLY CHILDHOOD FAMILY EDUCATION DEFICIENCY.] For a deficiency in early childhood family education aid:

\$885,000 1990

This amount is added to the amount appropriated by Laws 1989, chapter 329, article 4, section 19, subdivision 5.

Subd. 3. [MODEL SITES.] For model sites according to section 8:

\$950,000 1991

Up to \$50,000 of this amount may be used for evaluation of the model sites.

Subd. 4. [ECSU REPORTS.] For each ECSU report on regional service delivery systems according to section 9, subdivision 2:

\$55,000 1991

Each ECSU shall receive up to \$5,000 except that the ECSU serving region 11 and the ECSU serving regions 6 and 8 shall receive up to \$10,000.

Subd. 5. [PARTIAL SALARIES FOR STUDENT SERVICE PROFESSIONALS.] For grants according to section 10:

\$400,000 1991

Grants to qualifying districts must not exceed one half of the salary costs incurred by districts contracting for or employing an elementary school counselor, an elementary school social worker, or an elementary school chemical health specialist. Grants to qualifying districts for the salary cost of a student service specialist must not exceed \$20,000 and must be reduced proportionately for less than full-time service. To the extent qualified proposals are received, at least 50 percent of the available appropriation must be used in cities of the first class.

Subd. 6. [SCHOOL/COMMUNITY GRANTS.] For school/community grants according to section 11:

\$425,000 1991

\$100,000 of this amount is for up to 20 planning grants of up to \$5,000 each.

\$300,000 of this amount is for implementation grants of up to \$50,000 each to six of the 20 sites receiving planning grants.

\$25,000 is for evaluation of the six sites receiving implementation grants.

Subd. 7. [EVALUATING PREVENTION STRATEGIES.] For evaluating prevention strategies being implemented by districts;

\$100,000 1991

The commissioner shall evaluate up to 20 prevention strategies and shall coordinate the evaluation with the office of drug policy and other entities conducting similar evaluations. The commissioner shall report the results of the evaluation to the legislature, districts, and social service agencies.

Subd. 8. [SURVEY.] For a survey of targeted children and young people attending alternative education programs including area learning centers:

\$50,000 1991

The department must report the survey results to the legislature by January 1, 1992.

Sec. 16. [EFFECTIVE DATE.]

Section 15, subdivision 2, is effective the day after its final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1988, section 121.148, is amended to read:

121.148 [SCHOOL DISTRICT CONSTRUCTION.]

Subdivision 1. [COMMISSIONER APPROVAL.] In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 121.15, subdivision 7.

Subd. 2. [POSITIVE REVIEW AND COMMENT.] If the commissioner submits a positive review and comment for a proposal according to section 121.15, the school board may proceed with the construction according to the requirements of applicable laws.

Subd. 2 3. [NEGATIVE REVIEW AND COMMENT.] If the commissioner submits a negative review and comment for a proposal according to section 121.15, the school board, by resolution of the board, shall reconsider must not proceed with construction.

Subd. 4. [UNFAVORABLE REVIEW AND COMMENT.] If the commissioner submits an unfavorable review and comment for a proposal under section 121.15, the school board, by resolution of the board, must reconsider construction. If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under sections 475.51 to 475.76. Unless 60 percent of the voters at the election approve of issuing the obligations, the board is not authorized to issue the obligations.

Sec. 2. Minnesota Statutes 1988, section 121.15, subdivision 1, is amended to read:

Subdivision 1. [CONSULTATION.] A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than a technical institute, for which the estimated cost exceeds \$100,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 124.243, subdivision 6, clause (2). The commissioner may require the district to

participate in a management assistance plan before conducting a review and comment on the project.

Sec. 3. Minnesota Statutes 1989 Supplement, section 121.15, subdivision 2, is amended to read:

Subd. 2. [PLAN SUBMITTAL.] For a project for which consultation is required under subdivision 1, the commissioner, after the consultation required in subdivision 1, may require a school district to submit the following for approval:

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site improvement project. The commissioner shall approve or disapprove the plans within ~~60~~ 90 days after submission.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Sec. 4. Minnesota Statutes 1988, section 121.15, subdivision 7, is amended to read:

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the people proposed to be served, including census findings and projections for the next ten years of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts, post-secondary institutions, ~~or~~ other public buildings, or other noneducation community resources; and the anticipated effect that the facility will have on existing facilities and services;

(f) the anticipated benefit of the facility to the area;

(g) if known, the relationship of the proposed construction to any priorities that have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility;

(i) desegregation requirements that cannot be met by any other reasonable means; and

(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area; and

(k) the estimated effects of the proposed facility on the district's operating budget.

Sec. 5. [121.1502] [INSPECTION OF PUBLIC SCHOOLS.]

Subdivision 1. [INSPECTION.] The commissioner and the state fire marshal shall develop a plan to inspect once every three years every public school facility used for educational purposes. Inspections must begin during the 1990-1991 school year. The plan must provide for continued inspection by local units of government of public school facilities that have been inspected by a local unit of government between January 1, 1987 and January 1, 1990, and may provide for inspections by local units of government in other situations. Each inspection report must be filed with the commissioner, the local school board, and the state fire marshal. Notwithstanding section 299F.011, subdivisions 5a and 5b, a variance from the code must be approved by the state fire marshal before taking effect. The state board may request that the state fire marshal inspect a particular school facility.

Subd. 2. [CONTRACTING.] The commissioner may contract with the state fire marshal to provide the inspections provided in subdivision 1.

Sec. 6. [121.1505] [UNSAFE SCHOOL FACILITIES.]

Subdivision 1. [SCHOOL BOARD COMPLIANCE.] A school board must comply with all school facility inspection orders issued

under section 5 or this section. In this section, "school facility" means property used by a school district for educational purposes regardless of whether the property is owned, leased, or otherwise used by the district.

Subd. 2. [REMEDY REQUIRED.] Until September 1, 1991, the commissioner shall require a school district to remedy a condition that causes the school facility to be unsafe or unfit for use due to imminent danger to occupants, or conditions that threaten the life, health, or safety of the occupants. After September 1, 1991, the commissioner shall require a school district to remedy a condition that violates the rules adopted under subdivision 5.

Subd. 3. [CONDEMNATION.] If a school district does not comply with the school facility inspection orders issued by the state fire marshal, local fire official, or commissioner, the commissioner must order a remedy as follows:

(a) If practical, the commissioner shall order repairs to the facility. The commissioner must determine what costs for repairs must be paid out of the district's current capital budget, and must require the district to levy for the remaining repairs under section 124.83, subdivision 4, or order the district to issue general obligation bonds without an election to provide money immediately to make the necessary repairs. If the district sells bonds, each year the district must pledge an attributable share of its health and safety revenue to the repayment of the principal and interest on the bonds. The pledged revenue must be transferred to the debt redemption fund of the district. The commissioner must approve the district's proposed repayment schedule for bonds issued.

(b) If the commissioner determines that repairs are not practical, the commissioner must condemn the school facility and specify the date by which the facility must be vacated.

(c) If the commissioner condemns a school facility, the commissioner must require the school district to submit a plan to provide replacement facilities or otherwise to provide for the education of the pupils attending school in the facility. If the district does not submit a workable plan to replace the facilities or to provide for the education of the pupils attending school in the facility, the commissioner may determine how the district's facilities needs shall be met. The commissioner may order the district to build a new facility and require the district to issue obligations under chapter 475, notwithstanding the local approval requirement of section 475.58. The publication procedures of section 121.15, subdivision 9, do not apply to bonds issued under this paragraph. The commissioner must approve both the plan for the replacement facility and the proposed location of the facility.

(d) If the commissioner determines that the school facility cannot

be repaired or replaced or that the district cannot otherwise meet its facilities needs and that the district refuses to otherwise provide for the education of the pupils attending school in that facility, the commissioner may dissolve the district under section 122.22, subdivision 2. The dissolution may proceed without voter approval and without approval of the affected school boards.

Subd. 4. [DISTRICT APPEAL.] A school board may appeal the commissioner's order to condemn by filing a notice of appeal with the commissioner within 30 days of the day the district receives the commissioner's order. An appeal must be heard as a contested case under sections 14.57 to 14.62. The appealing school district must pay for the costs of the services of the office of administrative hearings for the contested case. However, if the district prevails in its appeal, the commissioner shall reimburse the district for the costs of the services of the office of administrative hearings.

A prevailing district must resubmit a plan to remedy all conditions cited by an inspector issuing school facilities inspection orders to the district.

Subd. 5. [RULES.] By September 1, 1991, the state board must adopt rules establishing criteria for determining if school facilities are unsafe or unfit for use.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 124.2442, subdivision 1, is amended to read:

Subdivision 1. [INSUFFICIENT FUNDS.] If the total appropriation for capital expenditure equipment aid or capital expenditure facilities aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, 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.

Sec. 8. Minnesota Statutes 1989 Supplement, 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 June 30, 1990, or granted a capital loan that is approved after June 30, 1990, a levy in a total dollar amount computed as a rate of 20 percent of adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) 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 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) (c) 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 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 5½ 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. 9. [124.431] [CAPITAL LOANS.]

Subdivision 1. [CAPITAL LOAN REQUESTS AND USES.] Capital loans are available only to qualifying districts. Capital loans must not be used for the construction of swimming pools, ice arenas, athletic facilities, auditoriums, day care centers, bus garages or heating system improvements. Proceeds of the loans may be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings. Contracts must be entered into within 18 months after the date on which each loan is granted. Beginning with capital loans granted after June 30, 1988, the state board must grant a reasonable extension to the 18 month limit for a district whose financing is delayed.

Subd. 2. [DISTRICT REQUEST FOR REVIEW AND COMMENT.] A school district that intends to apply for a capital loan must submit a proposal to the commissioner for review and comment according to section 121.15 on or before July 1. The commissioner must prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility.

Subd. 3. [DISTRICT APPLICATION FOR CAPITAL LOAN.] The school board of a district desiring a capital loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. Applications for loans must be accompanied by a copy of the adopted board resolution.

Applications must be in the form and accompanied by the additional data required by the commissioner. Applications must be received by the commissioner by November 1. A district must resubmit an application each year. Capital loan applications that do not receive voter approval or are not approved in law cancel July 1 of the year following application. When an application is received, the commissioner shall obtain from the commissioner of revenue the information in the revenue department's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Subd. 4. [STATE BOARD REVIEW; INDIVIDUAL DISTRICT PROPOSALS.] By January 1 of each year, the state board must review all applications for capital loans that have received a positive review and comment. The state board may either approve or reject an application for a capital loan. To approve the application the state board must determine that:

- (1) the capital loan application has met all required timelines;
- (2) the facilities are needed for pupils for whom no adequate facilities exist or will exist;
- (3) the district will serve, on average, at least 80 pupils per grade or is eligible for sparsity revenue;
- (4) no form of cooperation with another district would provide the necessary facilities;
- (5) no existing facilities that would meet the district's educational needs could be purchased or leased from any other source within the area;
- (6) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollments;
- (7) the district's need for facilities is comparable to facilities in other districts that are financed through local bond issues; and
- (8) the district is projected to maintain or have an increase in its average daily membership over the next ten years or is eligible for sparsity revenue.

The state board may approve a capital loan application in a reduced amount or change the application to meet any of the foregoing criteria.

Subd. 5. [STATE BOARD REVIEW; MULTIPLE DISTRICT PROPOSALS.] In addition to the requirements of subdivision 4, the state board may place additional requirements on projects that are designed to serve more than one district. These requirements may include but not be limited to:

- (1) limiting or increasing the number of districts that plan to use the facility;
- (2) location of the facility;
- (3) formation of a joint powers agreement among the participating districts;
- (4) determination of which district, or group of districts acting under a joint powers agreement, will be responsible for issuing the bonds;
- (5) determination of contributions by districts that are not directly responsible for issuance of the bonds; and

(6) minimum lengths of time that participating districts must contribute to the repayment of the bonds.

Subd. 6. [RECOMMENDATIONS OF THE COMMISSIONER.] The commissioner shall examine and consider applications for capital loans that have been approved by the state board of education, and promptly notify any district rejected by the state board of the state board's decision.

The commissioner shall make recommendations concerning each capital loan that has been approved by the state board and that has received voter approval to the education committees of the legislature by February 1 of each year. The commissioner must not recommend a capital loan that has not received voter approval. The commissioner shall also report on the money remaining in the capital loan account and, if necessary, request that another bond issue be authorized.

Subd. 7. [LEVY LIMITATION.] A district's maximum effort levy is 20 percent of adjusted net tax capacity.

Subd. 8. [LOAN AMOUNT LIMITS.] (a) A loan must not be recommended for approval for a district exceeding an amount computed as follows:

(1) the amount requested by the district under subdivision 3;

(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 305 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 305 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(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.

(b) The loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

Subd. 9. [LEGISLATIVE ACTION.] Each capital loan must be approved in a law.

If the aggregate amount of the capital loans exceeds the amount that is or can be made available, the commissioner shall allot the available amount among any number of qualified applicant districts, according to the commissioner's judgment and discretion, based upon the districts' respective needs.

Subd. 10. [DISTRICT REFERENDUM.] After receipt of the review and comment on the project and before February 1, the question authorizing the borrowing of money for the facilities must be submitted by the school board to the voters of the district at a regular or special election. The question submitted must state the total amount to be borrowed from all sources. Approval of a majority of those voting on the question is sufficient to authorize the issuance of the obligations on public sale in accordance with chapter 475. The district shall mail to the commissioner of education a certificate by the clerk showing the vote at the election.

Subd. 11. [CONTRACT.] Each capital loan must be evidenced by a contract between the school district and the state acting through the commissioner. It must obligate the state to pay to the district on a reimbursement basis, out of the maximum effort school loan fund, for eligible capital expenses for construction of the facility for which the loan is granted an amount computed as provided in subdivision 6. The commissioner must receive from the school district a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs of construction in excess of the amount of the loan, and estimating the costs. It must obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate equal to the weighted average annual rate payable on Minnesota state school loan bonds issued for the project and disbursed to the school district on a reimbursement basis but in no event less than 3-1/2 percent per year on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (i) the amount of its maximum effort debt service levy or (ii) the amount of its required debt service levy, whichever is greater, except as the required debt service levy may be reduced by a loan under section 124.42. When the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that part of the debt service tax collections, including penalties and interest that exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required in this subdivision. Interest on capital loans must be paid on December 15 of the year after the year the loan is granted and annually in later years. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable

property situated within the school district of the amount of the maximum effort debt service levy of the district for that year. The county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified.

Subd. 12. [LOAN FORGIVENESS.] If a capital loan is not paid within 50 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district on the loan is satisfied and discharged and interest on the loan ceases. After a district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Subd. 13. [PARTICIPATION BY COUNTY AUDITOR; RECORD OF CONTRACT; PAYMENT OF LOAN.] The school district shall file a copy of the capital loan contract with the county auditor of each county in which any part of the district is situated. The county auditor shall enter the capital loan, evidenced by the contract, in the auditor's bond register. The commissioner shall keep a record of each capital loan and contract showing the name and address of the district, the date of the contract, and the amount of the loan initially approved. On receipt of the resolution required in subdivision 11, the commissioner shall issue warrants, which may be dispersed in accordance with the schedule in the contract, on the capital loan account for the amount that may be disbursed under subdivision 1. Interest on each disbursement of the capital loan amount accrues from the date on which the state treasurer issues the warrant.

Subd. 14. [BOND SALE LIMITATIONS.] A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. The district shall report each sale to the commissioner of education.

Sec. 10. [124.432] [JOINT POWERS AGREEMENTS FOR MAXIMUM EFFORT SCHOOL AID CAPITAL LOANS.]

Any group of districts may form a joint powers district representing all participating districts to obtain a maximum effort school aid capital loan. The joint powers board may submit an application for a capital loan under section 124.431. The joint powers board must hold a hearing on the capital loan proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding need from all

sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept a capital loan and to issue the bonds on public sale according to chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue a district must submit to the commissioner of education an application for aid and levy by June 1 in the previous school year. The application may be for hazardous substance removal, fire code compliance, or life safety repairs. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost of the program by fiscal year. The commissioner must not approve health and safety program revenue in excess of an amount that would cause the 1990 payable 1991 health and safety levy to exceed \$56,000,000 statewide.

Sec. 12. Minnesota Statutes 1989 Supplement, 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. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms.

Sec. 13. Minnesota Statutes 1989 Supplement, 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, or to purchase a building and site under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71, for any instructional purposes 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 or

agreement, and a description of the space to be leased or purchased according to any type of deferred payment agreement, 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 building, conformity of the lease or agreement to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease or agreement 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 or purchasing a building for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services or to purchase a building newly constructed under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71.

Sec. 14. Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended by Laws 1963, chapter 645, section 3, Laws 1967, chapter 661, section 3, Laws 1969, chapter 994, section 1, Laws 1975, chapter 320, section 1, Laws 1980, chapter 525, section 2, and Laws 1989, chapter 329, article 5, section 17, is amended to read:

Subd. 10. [SPECIAL SCHOOL DISTRICT NO. 1; MINNEAPOLIS, CITY OF; EXTENDING BONDING AUTHORITY.] As used in this act the word "project" shall mean any proposed new or enlarged school building site, any proposed new school building or any proposed new addition to a school building, and "undertaking" shall mean any other purpose for which bonds may be issued as authorized in this subdivision. Subject to the limitations of subdivision 11, the special independent school district of Minneapolis may issue and sell bonds with the approval of 53 percent of the electors voting on the question at a general school district election or at a school district election held at the same time and place within the district as a state general or primary election, as determined by the board of education. Subject to the provisions of subdivision 11, the school district may also by a two-thirds majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year bonds of the district in an amount not to exceed one-half of one percent of the assessed value of the taxable property in the district (plus, for calendar year 1990 years 1990 to 1996, an amount not to exceed \$7,500,000; with an additional provision that any amount of bonds so authorized for sale in a specific year and not sold can be carried forward and sold in the year immediately following); provided, however, that the board shall submit the list of projects and undertakings to be financed by a proposed issue to the city planning commission as provided in subdivision 11(c). All bonds of the school district shall be payable in not more than 30 years. The proceeds of the sale of the bonds shall be used only for the rehabilitating, remodeling, expanding and equipping of existing school buildings and for the acquisition of

sites, construction and equipping of new school buildings, and for acquisition and betterment purposes, and no part of the proceeds shall be used for maintenance. The provisions of this act shall apply to the issuance and sale of the bonds and to the purposes for which the bonds may be issued notwithstanding any provisions to the contrary in any other existing law relating thereto.

Sec. 15. Laws 1989, chapter 329, article 5, section 21, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$8,168,000 1990

\$10,796,000 1991

The 1990 appropriation includes \$8,168,000 for 1990.

The 1991 appropriation includes \$1,442,000 for 1990 and \$9,354,000 for 1991.

Up to \$15,000 of the 1991 appropriation may be used for the state board task force under section 19.

Up to \$150,000 of the 1991 appropriation may be used for the facilities review under section 20.

Up to \$200,000 of the 1991 appropriation may be used by the commissioner to contract with the state fire marshal under section 6.

Sec. 16. [ST. PAUL BONDING AUTHORIZATION; TAX LEVY FOR DEBT SERVICE.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds to acquire or better facilities, independent school district No. 625 may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series in calendar years 1990 and 1991 as provided in this section. The aggregate principal amount of any bonds issued under this section for each calendar year must not exceed one-ninth of one percent of the market value of the taxable property in the district, as computed in accordance with Minnesota Statutes, section 475.51, subdivision 4. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 625, the first sentence of Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in

addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of Minnesota Statutes, chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 must levy a tax annually in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 3. [EFFECTIVE DATE; LOCAL APPROVAL.] Subdivisions 1 and 2 are effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 4. [CERTIFICATION.] No vote may be taken by the governing body of independent school district No. 625, St. Paul, to issue bonds authorized under this section until the governing body certifies to the secretary of state that it has held a public meeting of the governing body in each state senate district in the city of St. Paul to obtain citizen input on the advisability of issuing the bonds. Meetings must be in addition to any other scheduled meetings of the governing body or any of its committees. Timely notice of the meetings required by this subdivision must be mailed to each postal patron address in the appropriate state senate district.

Sec. 17. [COLERAINE, LAKE SUPERIOR, CHISHOLM, ELY, EVELETH, GILBERT, AND ST. LOUIS COUNTY SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 316, Coleraine, may issue bonds in an aggregate principal amount not exceeding \$900,000; independent school district No. 381, Lake Superior, may issue bonds in an aggregate principal amount not exceeding \$300,000; independent school district No. 695, Chisholm, may issue bonds in an aggregate principal amount not exceeding \$3,000,000; independent school district No. 696, Ely, may issue bonds in an aggregate principal amount not exceeding \$1,000,000; independent school district No. 697, Eveleth, may issue bonds in an aggregate principal amount not exceeding \$3,500,000; and independent school district No. 699, Gilbert, may issue bonds in an aggregate principal amount not exceeding \$1,000,000.

Subd. 2. [AUTHORIZATION.] Independent school district No. 710, St. Louis county, may issue bonds in an aggregate amount not to exceed \$1,500,000.

Subd. 3. [USES; PROCESS.] The bonds authorized under subdivisions 1 and 2 may be issued in addition to any bonds already issued or authorized. The proceeds of the bonds shall be used to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings and to pay any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds must be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A referendum on the question of issuing the bonds authorized under subdivision 2 is not required. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them must be considered to be in compliance with Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund under Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust under Minnesota Statutes, section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued under subdivision 1 and 100 percent of the principal and interest on the bonds issued under subdivision 2. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under Minnesota Statutes, section 298.225 or 298.293, the deficiency must be appropriated from the taconite environmental protection fund.

Subd. 5. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section and the general obligations of the school district, for which its full faith and credit and unlimited taxing powers must be pledged. If there are any deficiencies in the amount received under subdivision 4, they must be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 6. [DISTRICT LEVY.] The school board of each school district authorized to issue bonds under subdivision 1 shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet

when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution must be filed, and the necessary taxes must be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 7. [LEVY LIMITATIONS.] Taxes levied under this section must be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 8. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limits upon the indebtedness of a district, and their amounts must not be included in computing the indebtedness of a district for any purpose, including the issuance of later bonds and the incurring of later indebtedness.

Subd. 9. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 4 must terminate upon payment or maturity of the last of those bonds.

Subd. 10. [LOCAL APPROVAL.] This section is effective for independent school district No. 316, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 381, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 695, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 696, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 697 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 699, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 710, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 18. [DULUTH BONDING AUTHORIZATION; TAX LEVY FOR DEBT SERVICE.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds for the acquisition and betterment, as defined in Minnesota Statutes, section 475.51, subdivisions 7 and 8, of existing and new facilities, independent school district No. 709 may, by two-thirds majority vote of all the members of the school board, issue general obligation bonds in one or more series in each year beginning in 1990 as provided in this section. The aggregate principal amount of any bonds issued under this section for each calendar year must not exceed one-third of one percent of the market value of the taxable property in the district, as computed in accordance with Minnesota Statutes, section 475.53, subdivision 4. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with

other bonds issued by independent school district No. 709, Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4, as made applicable to independent school district No. 709 by Laws 1973, chapter 266.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 709 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law. The tax authorized under this section is not subject to and must be disregarded in the calculation of any levies subject to limits on levies provided in Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 3. [EFFECTIVE DATE; LOCAL APPROVAL.] Subdivisions 1 and 2 are effective the day after the governing body of independent school district No. 709 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 19. [STATE BOARD OF EDUCATION TASK FORCE ON LEARNING FACILITIES.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on learning facilities is established to assist the state board of education and legislature in formulating policy related to learning facilities.

Subd. 2. [MEMBERSHIP.] The task force shall consist of no more than 15 members appointed by the state board of education.

Subd. 3. [DUTIES.] The task force must examine learning facilities issues and make recommendations to the 1991 legislature. The task force must:

(1) develop a statewide policy regarding new construction of learning facilities;

(2) develop a statewide policy regarding remodeling and expansion of existing learning facilities;

(3) clarify the appropriate funding roles and responsibilities of state and local policy makers;

(4) evaluate existing laws, rules, guidelines and policies relating to facilities;

(5) examine the feasibility of cooperating with other community and local government programs and facilities;

(6) examine other related funding issues; and

(7) develop a statewide policy regarding the planning, construction and remodeling of facilities that permits coordination with interagency services for youth, families and the community.

Subd. 4. [REPORT.] The task force shall submit a report to the education committees of the legislature no later than February 1, 1991.

Subd. 5. [COMPENSATION.] Compensation of task force members must be as provided by Minnesota Statutes, section 15.059, subdivision 5.

Sec. 20. [FACILITIES REVIEW.]

The commissioner of education, in consultation with the advisory task force established in section 19 and other appropriate state and local officials shall:

(1) conduct an inventory of the condition of existing facilities;

(2) prepare a document for school districts that explains all statutes and rules that apply to learning facilities;

(3) develop a comprehensive on-site review form to be used when school facilities are inspected for educational adequacy, health and safety concerns, and handicapped accessibility;

(4) determine whether on-site inspectors should be certified, and if so, what qualifications are required for certification;

(5) determine whether a standard learning facilities plan should be developed by a state architect; and

(6) define information related to learning facilities that must be submitted by school districts to the department.

A recommendation must not conflict with or supplant existing law, including any law regarding inspections by the office of the

state fire marshal, or any requirement contained in the life safety code.

Sec. 21. [LEASE LEVY AUTHORITY.]

In addition to other levies authorized by law, a district may annually levy for the amounts needed to make the payments incurred under a lease purchase agreement, installment purchase agreement, or any other deferred payment agreement authorized under Minnesota Statutes, section 465.71, for which a levy was certified in 1989 or that was approved by the commissioner before July 1, 1990, under Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d.

Sec. 22. [REPEALER.]

Subdivision 1. Minnesota Statutes 1988, section 121.15, subdivision 4, is repealed effective the day after final enactment of this section.

Subd. 2. Minnesota Statutes 1988, section 124.43, subdivision 2, 3, 4, 5, and 6; and Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1, are repealed. The validity of bonds issued to fund loans issued under Minnesota Statutes 1988, section 124.43 or earlier law is not impaired. Districts obligated under contracts entered into under Minnesota Statutes 1988, section 124.43 or earlier law remain obligated until the obligations end under the terms of the contract.

Sec. 23. [EFFECTIVE DATE.]

Subdivision 1. Sections 1 to 8, 10, 11, 14, 16, 17, 18, 19, 20, and 22 are effective the day after their final enactment.

Subd. 2. Section 9, subdivisions 1 to 9 and 11 to 14, are effective the day after final enactment and apply to all capital loan requests received after January 1, 1990. Section 9, subdivision 10, is effective for capital loan applications received after January 1, 1990.

Subd. 3. Section 12 is effective for health and safety projects approved the day after its final enactment.

ARTICLE 6

COOPERATION

Section 1. Minnesota Statutes 1988, section 120.062, is amended by adding a subdivision to read:

Subd. 8a. [WAIVER OF DEADLINES.] Notwithstanding subdivision 4, upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 1 for enrollment beginning the following school year. The pupil, the pupil's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. Minnesota Statutes 1988, section 120.062, subdivision 9, is amended to read:

Subd. 9. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils:

(1) a nonresident district may transport a pupil within the pupil's resident district only with the approval of the resident district; and

(2) a parent or guardian may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

Sec. 3. Minnesota Statutes 1989 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] During the first or second year of cooperation, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submit-

ted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted. A different question may be submitted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 4. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of an education district is to increase educational opportunities for learners by increasing cooperation and coordination among school districts and post-secondary institutions and to replace other existing cooperative structures.

Sec. 5. Minnesota Statutes 1988, section 122.91, is amended by adding a subdivision to read:

Subd. 2b. [AGREEMENT; REVENUE PROVISIONS.] The education district agreement may contain a provision adopted by the vote of a majority of the full membership of each of the boards of the member school districts that allows the education district board to certify to the department of education the amount of revenue to be raised for:

(1) community education programs under sections 124.26, subdivisions 7, 8, and 8a, 124.2713, and 127.2715; and

(2) early childhood family education programs under sections 124.2711 and 275.125, subdivision 8b.

The provision must specify that the education district will certify the amount of revenue to be raised under clauses (1) and (2) for at least four consecutive years.

A member district may levy only the amount allocated by the department of education for a program for which an education district certifies the amount of revenue to be raised.

Sec. 6. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 5, is amended to read:

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) A member school district withdraws must not withdraw from an education district that receives revenue under section 124.2721 before the end of the fiscal year for which a levy under section 124.2721 has been certified, a reduction in the school district's

general education aid for the fiscal year to which the levy is attributable must be made. The amount of aid reduction equals the amount that the school district certified for that year under section 124.2721 minus transition aid allocated for that levy according to section 273.1398, subdivision 6. The amount of the aid reduction shall be paid to the education district. The school district need not transfer the revenue required under section 124.2721, subdivision 3a.

(b) Notwithstanding paragraph (a), a school district that certified a levy under section 124.2725 for fiscal year 1991 may transfer from one education district to another to comply with section 122.241, subdivision 2, clause (2). The commissioner must adjust the revenue of both education districts so that the education district revenue attributable to the transferring school district is transferred from the previous education district to the new education district.

(c) By August 1 of each year, an education district must notify the department of education concerning:

(1) which school districts will be members of the education district for the purposes of certifying to the department of education the amount of revenue to be raised under section 124.2721; and

(2) whether the education district will certify the amount of revenue to be raised under section 122.91, subdivision 2b, clause (1) or (2).

Sec. 7. Minnesota Statutes 1989 Supplement, section 122.92, subdivision 1, is amended to read:

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. Each representative must be a member of the appointing school board. 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. The board may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present.

Sec. 8. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 5a. [COMMUNITY COUNCIL.] The board may authorize a community council. The council must include representatives of

social service providers, education providers, local governments, community service organizations, and local businesses in each member district. Representatives to the council must be appointed by the member districts. The council must advise the board on collaborative ways that the types of groups represented by the members of the council can meet the education, social service, and health needs of the community. The council must also advise the board on ways to modify or build facilities for use by all community residents.

Sec. 9. [122.935] [COMPUTER EQUIPMENT PURCHASE AND SUPPORT.]

(a) The education district board may procure computers and related products for member districts under applicable competitive bidding procedures.

(b) Notwithstanding section 15.054, the education district board and member boards may sell computers and related products at cost to students and to staff to advance their instructional abilities. The education district board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or computer related product must be paid by the purchaser.

Sec. 10. [122.937] [EDUCATION DISTRICT BARGAINING.]

Subdivision 1. [EDUCATION DISTRICT AGREEMENT.] The education district agreement may contain a provision adopted by the vote of a majority of the full membership of each of the boards of the member school districts that grants the education district board the authority to negotiate a collective bargaining agreement for teachers on behalf of all member school districts under this section. This authority may allow the education district to be the public employer of teachers for the purposes of chapter 123, 125, or 179A if so provided in the plan under subdivision 2. If this provision is not adopted by the board of any member district, the provision must not be included in the education district agreement. As used in this section, "teacher" has the meaning given it in section 179A.03, subdivision 18.

To negotiate a collective bargaining agreement under this section, an education district must:

(1) agree to negotiate collective bargaining agreements for teachers on behalf of all member districts for at least the two-year periods beginning July 1, 1991, and July 1, 1993;

(2) certify to the department of education the amount of general

education revenue to be raised for all member districts under chapter 124B for each year that the education district negotiates a collective bargaining agreement under this section; and

(3) adopt a plan under subdivision 2 that is agreed upon by the school boards and the exclusive representatives of teachers in all member districts.

Subd. 2. [EDUCATION DISTRICT BARGAINING IMPLEMENTATION PLAN.] An education district board with a collective bargaining provision under subdivision 1 must adopt, by resolution, a plan for implementing education district teacher collective bargaining. The plan must specify:

(1) whether a new bargaining unit structure will be put in place for teachers in the education district;

(2) the procedure used to determine a new bargaining unit structure, which may include certification of a new exclusive representative for the teachers in the education district;

(3) how technical college teachers in the education district will be affected by the implementation of a new bargaining unit structure for the teachers in an education district, including the option for a separate technical college bargaining unit;

(4) whether the education district board or member school boards will be the public employer of teachers for the purposes of chapter 123, 125, or 179A and any other laws governing the employment of teachers;

(5) the process for ratifying contracts by the teachers in the education district and by the member school boards or the education district board;

(6) which specific fiscal duties and responsibilities belong to member district boards and which belong to the education district board. All fiscal duties and responsibilities not specifically assigned to the education district must remain with the member district;

(7) procedures required to allow member district boards to fulfill their fiscal responsibilities and duties; and

(8) any additional information requested by the commissioner of education or the commissioner of mediation services.

A plan developed under this subdivision must be submitted to the commissioner of education and the commissioner of mediation services for review and comment.

Subd. 3. [COMBINED SENIORITY LIST.] Notwithstanding any law to the contrary, member districts of an education district that negotiates a collective bargaining agreement under this section may negotiate a plan with the exclusive representatives of the teachers in each of the member districts providing for unrequested leave of absence for teachers in the education district under section 125.12, subdivision 6a.

If compatible plans are not negotiated under section 125.12, subdivision 6a, by July 1 of the first year of the two-year period for which the education district negotiates a collective bargaining agreement under this section, the education district shall be governed by section 125.12, subdivision 6b, on the basis of a combined seniority list of all the teachers in the education district. For the purpose of establishing a combined seniority list, each member district must be considered to have started school on the same date.

Subd. 4. [BARGAINING AGREEMENT.] The terms and conditions of employment of teachers in a member district of an education district that negotiates a collective bargaining agreement under this section will be temporarily governed by the contract executed by the exclusive bargaining representative and that particular member district until a successor contract is executed.

Subd. 5. [GRIEVANCES.] An unresolved grievance in a member district must be resolved under the terms of the contract executed by the exclusive bargaining representative and the member district at the time the grievance arose.

Subd. 6. [AUTHORITY.] An education district with a plan developed under subdivision 2 has the authority to implement that plan. When the provisions required under subdivision 2, clauses (1) to (8), that are specified in the plan conflict with laws in chapter 124, 125, or 179A, the education district and member districts will be governed by the provisions in the plan.

Unless specifically provided otherwise, chapter 179A governs the rights and duties of employers and employees in an education district that negotiates a collective bargaining agreement under this section.

Subd. 7. [CONTRACT DEADLINE AND PENALTIES.] Notwithstanding any law to the contrary, an education district that negotiates a collective bargaining agreement for teachers under this section is exempt from contract deadlines and penalties for a two-year period beginning July 1, 1991.

Subd. 8. [ELIGIBILITY FOR ADDITIONAL EDUCATION DISTRICT REVENUE.] (a) An education district with a collective bargaining provision under subdivision 1 may apply to the commis-

sioner of education for additional education district revenue under section 124.2721, subdivision 2, clause (iv).

(b) To apply for additional revenue, an education district board must:

(1) add the following components to the plan developed under subdivision 2:

(i) a description of the financial status in each member district;

(ii) a description of teacher negotiations over the past ten years in each member district; and

(iii) whether the education district will implement a combined seniority list under section 125.12, subdivision 6b; and

(2) submit the plan required under subdivision 2 and clause (1), item (ii) to the commissioner of education and the commissioner of mediation services by August 1, 1990.

Subd. 9. [APPROVAL FOR ADDITIONAL REVENUE.] The commissioner of education and the commissioner of mediation services may jointly select one or two education districts eligible under subdivision 8 to receive additional education district revenue under section 124.2721, subdivision 2, clause (iv). The commissioners must make their selection based on their determination of the quality of the plan developed under subdivision 2 and the success the education district will have in implementing the plan.

By August 31, 1990, the commissioner of education must notify each education district that is eligible for additional revenue under subdivision 1 that the education district:

(1) is approved to receive the additional education district revenue;

(2) is not approved to receive the additional education district revenue; or

(3) may submit additional information as requested by the commissioner of education or the commissioner of mediation services.

By February 1, 1991, the commissioner of education must notify each education district that submits additional information under clause (3) whether the education district is approved to receive additional education district revenue under section 124.2721, subdivision 2, clause (iv).

Subd. 10. [EDUCATION DISTRICT BARGAINING REPORT.] By February 1, 1991, the commissioner of mediation services must report to the education committees of the legislature any changes in law required for an education district to effectively implement education district bargaining under this section.

Sec. 11. Minnesota Statutes 1988, section 122.94, subdivision 5, is amended to read:

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] (a) The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

(b) Paragraph (a) does not limit a pupil's rights under section 120.062.

Sec. 12. Minnesota Statutes 1989 Supplement, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For 1990-1991, 1991-1992 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 122.945. 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. Minnesota Statutes 1989 Supplement, section 122.945, subdivision 2, is amended to read:

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~~ November 1, 1990, must submit a plan to the state board by April 1, 1990. An education district established after ~~December~~ October 31, 1989, must submit a plan to the state board by April ~~June~~ 1 of the first year that the education district will certify the amount of education district revenue to be raised under section 124.2721. The board must approve or disapprove the plan within 60 days of receiving it from the education district the required submission date.

Sec. 14. Minnesota Statutes 1988, section 123.35, is amended by adding a subdivision to read:

Subd. 19. [COMPUTER EQUIPMENT PURCHASE AND SUPPORT.] (a) A school board may procure computers and related products under applicable competitive bidding procedures.

(b) Notwithstanding section 15.054, the school board may sell computers and related products at cost to students and to staff to advance their instructional abilities. The board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or related product is to be paid by the purchaser.

Sec. 15. Minnesota Statutes 1988, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's ~~resident~~ district of attendance. If the amount to be subtracted is greater than the amount of

general education aid due the district, the excess reduction shall be made from other state aids due to the district. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 16. Minnesota Statutes 1988, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's ~~resident~~ district of attendance. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 17. Minnesota Statutes 1988, section 123.39, subdivision 6, is amended to read:

Subd. 6. The board may transport pupils residing outside of the district but attending school therein if these pupils present themselves within the district on one of the regular routes traveled in the

transportation of the pupils of the district. For the purposes of this subdivision, a "nonresident pupil" is a pupil who resides in one district, defined as the "resident district" and attends school in another district, defined as the "nonresident district."

A nonresident district may transport a nonresident pupil within its borders. A nonresident district may not transport a nonresident pupil on a school district owned or contractor operated school bus within the pupil's resident district without the approval of the resident district.

The parent or guardian of a nonresident pupil may submit a written request to the resident district asking that the resident district allow the nonresident district to provide transportation for the pupil within the pupil's resident district. The resident district must approve or disapprove the request, in writing, within 30 days. The parent or guardian may appeal the refusal of the resident district to the commissioner of education. The commissioner must act on the appeal within 30 days.

Sec. 18. Minnesota Statutes 1988, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are designated. Each unit, should it become operational, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(i) Development regions one and two shall be combined to form a single ECSU;

(ii) Development regions six east and six west shall be combined to form a single ECSU;

(iii) Development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

~~(b)~~ (c) The geographic location of the central administrative office of a school district shall determine the membership of the total

school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(e) (d) Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of the member districts of the education district or participants in the cooperative agreement are members of another ECSU.

(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

(d) (f) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.

Sec. 19. Minnesota Statutes 1988, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the state board of education and to each participating school district an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift,

or otherwise, subject to the review of the state board of education as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board of education and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU and the state board of education by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

(k) The ECSU board may procure computers and related products

for participating districts under applicable competitive bidding procedures.

(l) Notwithstanding section 15.054, the ECSU board and boards of participating school districts may sell computers and related products at cost to students and to staff to advance their instructional abilities. The ECSU board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or related product under this paragraph is to be paid by the purchaser.

Sec. 20. Minnesota Statutes 1989 Supplement, 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 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) Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4 the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.

(e) 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) (f) 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. 21. Minnesota Statutes 1989 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

(a) general education aid authorized in ~~section~~ sections 124A.23 and 124B.20;

(b) secondary vocational aid authorized in section 124.573;

(c) special education aid authorized in section 124.32;

(d) secondary vocational aid for handicapped children authorized in section 124.574;

(e) aid for pupils of limited English proficiency authorized in section 124.273;

(f) transportation aid authorized in section 124.225;

(g) community education programs aid authorized in section ~~124.271~~ 124.2713;

(h) adult education aid authorized in section 124.26;

(i) early childhood family education aid authorized in section 124.2711;

(j) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;

(k) education district aid according to section 124.2721;

(l) secondary vocational cooperative aid according to section 124.575;

(m) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

(n) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

(o) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; and

(p) attached machinery aid authorized in section 273.138, subdivision 3.

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

Sec. 22. Minnesota Statutes 1988, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 124B, 125, 126, 134, and section 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 23. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 7, is amended to read:

Subd. 7. [ADULT BASIC EDUCATION AID.] Each school district or education district with a revenue provision under section 122.91, subdivision 2b, clause (1), shall receive aid for approved adult basic 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. Expenditures for which the district receives federal aid shall not qualify for state aid. Up to five percent of the combined state and federal aid may be for the administrative costs of coordinating services with human services, employment, training, corrections, or other agencies providing educational services to adult learners. To receive adult basic education aid under this section, a district is defined as a school district or education district under subdivisions 1b, 1c, and 2.

Sec. 24. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 8, is amended to read:

Subd. 8. [ADULT BASIC EDUCATION LEVY; SCHOOL DISTRICTS.] ~~To obtain adult basic education aid, A school district may levy for approved adult basic education programs an amount not to exceed the amount raised by a gross tax capacity rate of .16 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 .20 .21 percent times the adjusted net tax capacity of the school district for the preceding year for taxes payable in 1991 and thereafter.~~

Sec. 25. Minnesota Statutes 1988, section 124.26, is amended by adding a subdivision to read:

Subd. 8a. [ADULT BASIC EDUCATION LEVY; EDUCATION DISTRICTS.] An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), and an approved adult basic education program may certify to the department of education the amount of adult basic education levy to be raised. To receive revenue under this section, a district is defined as a school district or education district under subdivisions 1b, 1c, and 2. The levy must not exceed the amount raised by a net tax capacity rate of .21 percent times the adjusted net tax capacity of the education district for the preceding year for taxes payable in 1991 and later years. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

Each year, a member district must transfer adult basic revenue to the education district board according to this subdivision. By June

20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 26. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM REVENUE.] (a) The maximum revenue for early childhood family education programs for 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 \$87.75 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.

(b) For 1992 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 \$96.50 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 1992 and later fiscal years, the maximum revenue for early childhood family education programs for an education district with a revenue provision under section 122.91, subdivision 2b, clause (2), is the amount of revenue earned by multiplying \$96.50 times the greater of:

(1) 150 times the number of member districts in the education district; or

(2) the number of people under five years of age residing in the education district on September 1 of the last school year.

Sec. 27. Minnesota Statutes 1988, section 124.2711, subdivision 2, is amended to read:

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the school district or education district. The commissioner, with the assistance of the state demographer, shall review the number reported by any school district or education district operating an early childhood family education program. If requested, the school district or education district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the school district or education district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Sec. 28. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 3, is amended to read:

Subd. 3. [AID.] (a) If a school district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) (1) 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, times

(b) (2) the ratio of the school district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

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 \$.95 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the last school year.

(b) If an education district with a revenue provision under section 122.91, subdivision 2b, clause (2), complies with section 121.882, it shall receive early childhood family education aid equal to the difference between:

(1) the lesser of the amount of revenue actually certified by the education district under section 275.125, subdivision 8b, paragraph (b), or the maximum revenue for the education district under section 124.2711, subdivision 1, paragraph (c); and

(2) the amount of early childhood family education levy under section 275.125, subdivision 8b, paragraph (b).

(c) A district under section 121.882 includes an education district to receive revenue under this subdivision.

Sec. 29. Minnesota Statutes 1989 Supplement, section 124.2713, is amended to read:

124.2713 [COMMUNITY EDUCATION REVENUE.]

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a school district's or education district's general community education revenue, youth development plan revenue, and youth service program revenue. A "district" under section 121.88 includes an education district to receive revenue under this section.

Subd. 2. [ELIGIBILITY.] (a) To be eligible for community education revenue, under this section an education district must have a provision under section 122.91, subdivision 2b, clause (1), that allows community education revenue to be certified by the education district.

(b) To be eligible for community education revenue, a school district and an education district must:

(1) operate a community education program that complies with section 121.88; and

(2) file a certificate of compliance with the commissioner of education.

(c) The certificate of compliance shall certify that a meeting was held to discuss methods of increasing cooperation among the governing boards of each county, city, and township in which the school district or education district, or any part of the school district or education district, is located, and that each governing board was sent a written notice of the meeting at least 15 working days before the meeting. The failure of a governing board to attend the meeting shall not affect the authority of the school district or education district to obtain community education revenue.

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.]

(a) For fiscal year 1991 and thereafter, The general community education revenue for a school district equals \$5.95 times the greater of 1,335 or the population of the school district. The population of the school district is determined according to section 275.14.

(b) The general community education revenue for an education district equals \$5.95 times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

(c) The population of the education district is the sum of the population of each member district as determined under section 275.14.

Subd. 3a. [1990 GENERAL COMMUNITY EDUCATION REVENUE.] For fiscal year 1990, the general community education revenue for each district equals \$5.75 times the greater of 1,335 or the population of the district.

Subd. 4. [YOUTH DEVELOPMENT PLAN REVENUE.] (a) Youth development plan revenue for a school district with a plan approved by the school board equals 50 cents times the greater of 1,335 or the population of the school district.

(b) Youth development plan revenue for an education district with a plan approved by the education district board equals 50 cents times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

Subd. 5. [YOUTH SERVICE REVENUE.] (a) Youth service program revenue is available to a school district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 cents times the greater of 1,335 or the population of the school district.

(b) Youth service program revenue is available to an education district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 cents times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

Subd. 6. [COMMUNITY EDUCATION LEVY; SCHOOL DISTRICTS.] To obtain community education revenue, a school district may levy the amount raised by a gross tax capacity rate of 0.8

percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0 1.07 percent times the adjusted net tax capacity of the school district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Subd. 6a. [COMMUNITY EDUCATION LEVY; EDUCATION DISTRICTS.] (a) An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), may certify to the department of education the amount of revenue to be raised for its community education program. The community education levy shall equal the product of:

(1) the ratio of the amount of revenue certified by the education district to the maximum revenue as defined in subdivision 1 times

(2) the lesser of:

(i) a net tax capacity rate of 1.07 percent times the adjusted net tax capacity of the education district for the year preceding the year the amount of revenue is certified; or

(ii) the maximum revenue as defined in subdivision 1.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(b) Each year, a member district must transfer community education revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 7. [COMMUNITY EDUCATION AID.] (a) A school district's community education aid is the difference between its community education revenue and the community education levy. If the school district does not levy the entire amount permitted, the community education aid shall be reduced in proportion to the actual amount levied.

(b) An education district's community education aid is the difference between:

(1) the lesser of its community education revenue under subdivision 1 or the amount of revenue certified under subdivision 6a; and

(2) the amount of its community education levy under subdivision 6a.

Subd. 8. [USES OF GENERAL REVENUE.] General community education revenue may be used for:

(1) nonvocational, recreational, and leisure time activities and programs;

(2) handicapped adult programs, if the programs and budgets are approved by the department of education;

(3) adult basic education programs, according to section 124.26;

(4) summer programs for elementary and secondary pupils;

(5) implementation of a youth development plan;

(6) implementation of a youth service program;

(7) early childhood family education programs, according to section 121.882; and

(8) extended day programs, according to section 121.88, subdivision 10.

(9) In addition to money from other sources, a school district or education district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

(i) to purchase or lease computers and related materials;

(ii) to purchase or lease equipment for instructional programs; and

(iii) to purchase textbooks and library books.

Subd. 9. [USE OF YOUTH REVENUE.] Youth development revenue may be used only to implement the youth development plan approved by the school board or education district board. Youth service revenue may be used only to provide a youth service program according to section 121.88, subdivision 9.

Sec. 30. Minnesota Statutes 1989 Supplement, section 124.2715, is amended to read:

124.2715 [HANDICAPPED ADULT REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] A school district or education district with a revenue provision under section 122.91, subdivision 2b, clause (1), that is eligible according to section 124.2713, subdivision 2, may receive revenue for a handicapped adult program. To receive revenue under this section, a district is defined as a school district or an education district in section 124.2713. Handicapped adult program revenue for a school district, education district, or a group of districts equals the lesser of:

- (1) the actual expenditures for approved programs and budgets; or
- (2) \$60,000.

Subd. 2. [AID.] Handicapped adult program aid equals the lesser of:

- (1) one-half of the actual expenditures for approved programs and budgets; or
- (2) \$30,000.

Subd. 3. [HANDICAPPED ADULT LEVY; SCHOOL DISTRICT.] A school district may levy for a handicapped adult program an amount up to the amount designated in subdivision 2. In the case of a program offered by a group of districts, the levy amount shall be apportioned among the districts according to the agreement submitted to the department of education.

Subd. 3b. [HANDICAPPED ADULT LEVY; EDUCATION DISTRICT.] (a) An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), may certify to the department of education an amount not to exceed the amount indicated in subdivision 2. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(b) Each year, a member district must transfer adult handicapped revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

- (1) 50 percent times

(2) the amount certified in this subdivision minus homestead agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 4. [OUTSIDE REVENUE.] A school district or education district may receive money from public or private sources to supplement handicapped adult program revenue. Aid may not be reduced as a result of receiving money from these sources.

Subd. 5. [USE OF REVENUE.] Handicapped adult program revenue may be used only to provide handicapped adult programs.

Sec. 31. Minnesota Statutes 1989 Supplement, 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 sections 122.91, subdivisions 3 and 4, and 122.945. 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.] Each year the education district board shall certify to the department of education the amount of education district revenue to be raised. ~~Revenue for the Education district revenue~~ shall be the lesser of:

(1) ~~\$60 times the actual pupil units in the education district, or~~

~~(2) the amount certified by the education district board; or~~

(2) the sum of:

(i) \$60 in basic education district revenue;

(ii) \$5 for education districts that certify the amount of community education revenue to be raised under section 124.2713;

(iii) \$5 for education districts that certify the amount of early childhood family education revenue to be raised under section 124.2711; and

(iv) \$80 for education districts authorized to receive revenue under section 122.937, subdivision 4;

times the actual pupil units in the education district.

Subd. 3. [LEVY.] The education district levy is equal to the following:

(1) the education district revenue according to subdivision 2, times

(2) the lesser of

(a) one, or

(b) the ratio of the ~~adjusted gross tax capacity for taxes payable in 1990 and~~ adjusted net tax capacity for taxes payable in 1991 and thereafter of the education district divided by the number of actual pupil units in the education district to an amount equal to \$60 the sum of subdivision 2, clause (2), items (i), (ii), (iii), and (iv) for which the education district is eligible divided by 1.5 percent for taxes payable in 1990 and 1.87 percent for taxes payable in 1991 and thereafter.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts shall levy the amount allocated.

Subd. 3a. [REVENUE TRANSFER.] Each year a member district shall transfer revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount shall be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 3 minus ~~transition home-~~stead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

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. 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 122.945.

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. 32. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) For the third year of combination and thereafter, a combined district that is not a member of an education district that receives revenue under section 124.2721 may levy an amount equal to the cooperation and combination revenue, defined in subdivision 2, the lesser of

(i) \$50 times the actual pupil units in the combined district; or

(ii) \$50,000.

(b) A combined district that is a member of an education district receiving revenue under section 124.2721 must not receive revenue under this subdivision.

Sec. 33. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

Subd. 16. [COMBINATION AFTER ONE YEAR OF COOPERATION.] For the purposes of receiving revenue under this section, if districts combine after one year of cooperation:

(1) the first year of combination is defined as the second year of cooperation;

(2) the second year of combination is defined as the first year of combination;

(3) the third year of combination is defined as the second year of combination; and

(4) the fourth year of combination is defined as the third year of combination.

Sec. 34. Minnesota Statutes 1988, section 124.494, is amended by adding a subdivision to read:

Subd. 2a. [REORGANIZING DISTRICTS.] A school district that is a member of a joint powers board established under subdivision 2 and that is planning to reorganize under section 122.21, 122.22, or 122.23, must notify the joint powers board one year in advance of the effective date of the reorganization. Notwithstanding section 471.59, or any other law to the contrary, the board of a district that

reorganizes under section 122.21, 122.22, or 122.23, may appoint representatives to the joint powers board who will serve on the joint powers board for two years after the effective date of the reorganization if so authorized in the agreement establishing the joint powers board to govern the cooperative secondary facility. These representatives shall have the same powers as representatives of any other school district under the joint powers agreement.

Sec. 35. [124.494] [MEETINGS.]

Notwithstanding any law to the contrary, the joint powers board established in section 124.494, and boards of any member districts may hold meetings in any of the member districts at a location convenient to the member districts and the public. The joint powers board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 36. Minnesota Statutes 1988, section 124A.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purpose of this chapter and ~~chapter~~ chapters 124 and 124B, the following terms have the meaning given them.

Sec. 37. Minnesota Statutes 1988, section 124A.036, is amended by adding a subdivision to read:

Subd. 6. [AREA LEARNING CENTER AID PAYMENTS.] General education aid paid to a district for an area learning center, as defined in sections 129B.52 to 129B.55, may include aid payments for Saturday instruction. General education aid paid to a district for staff development days permitted under section 124.19, may include aid payments for any Saturday devoted to staff development opportunities.

Sec. 38. [124B.01] [ELIGIBILITY.]

Education districts with a collective bargaining provision in the education district agreement under section 122.937, must certify general education revenue for all member districts in the education district. A member district of an education district that certifies general education revenue may levy only the amount allocated by the department of education for general education.

Sec. 39. [124B.02] [DEFINITIONS.]

Except as otherwise specified in this chapter, general education revenue for eligible education districts must be determined under

chapters 124 and 124A, as though an education district is a school district.

Sec. 40. [124B.03] [REFERENDUM LEVIES.]

Subdivision 1. [MEMBER DISTRICT REFERENDUM LEVIES.]

(a) As of the date that an education district first certifies general education revenue, the authorization for a referendum levy previously approved by the voters of a member district in that education district under section 124A.03 is canceled.

(b) The education district may certify to the department of education an amount equal to the combined dollar amount of the referendum authorized by each of the member districts for the year before the date that the education district first certifies general education revenue, unless the amount of revenue that the education district may certify is modified under subdivision 2.

(c) If the referendum levy authorizations for each of the member districts is limited to a specified number of years, the referendum levy authorization for the education district may continue for a period of time equal to the longest period authorized for any member district. If the referendum levy authorization of any member district is not limited to a specified number of years, the referendum levy authorization for the education district is not limited to a specified number of years.

Subd. 2. [REFERENDUM LEVY.] (a) The amount of general education revenue certified by an education district board under section 124B.10 may be increased in any amount that is approved by the voters of the education district at a referendum called for the purpose. The referendum may be called by the education district board or must be called by the education district board upon written petition of qualified voters of the education district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy 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 must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies. The ballot may contain a text with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of, Education District No. ..., be approved?"

(b) If approved, the amount provided by the approved tax capacity rate applied to the net tax capacity for the year before the year the levy is certified is authorized for certification for the number of

years approved, if applicable, or until revoked or reduced by the voters of the education district at a later referendum.

(c) The education district board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on each member district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the education district.

(d) The notice must include the following statement: "In 1989, the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(e) A referendum on the question of revoking or reducing the increased levy amount authorized under paragraph (a) may be called by the education district board and must be called by the education district board upon the written petition of qualified voters of the education district. A levy approved by the voters of the education district under paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one election may be held to revoke or reduce a levy for any specific year and for later years.

(f) A petition authorized by paragraph (a) or (e) shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections in all the member school districts. A referendum invoked by petition must be held on the day specified in paragraph (a).

(g) The approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(h) Within 30 days after the education district holds a referendum according to this subdivision, the education district shall notify the commissioner of education of the results of the referendum.

(i) The department shall allocate the amount certified by the education district board under paragraph (a) proportionately among the member districts based on net tax capacity. The member districts shall levy the amount allocated.

(j) Each year, a member district shall transfer referendum revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 41. [124B.10] [GENERAL EDUCATION REVENUE.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] The general education revenue for an education district that negotiates a collective bargaining agreement under section 122.937, equals the sum of the education district's basic revenue, compensatory education revenue, training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue.

Subd. 2. [TRAINING AND EXPERIENCE REVENUE.] The training and experience index for an education district equals the weighted average of the ratios assigned to the full-time equivalent teachers in the education district.

Sec. 42. [124B.20] [GENERAL EDUCATION LEVY AND AID.]

Subdivision 1. [GENERAL EDUCATION LEVY.] To obtain general education revenue, an education district with a collective bargaining provision under section 122.937, may certify to the department of education an amount not to exceed the general education tax capacity rate times the adjusted net tax capacity of the education district for the preceding year. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated. The sum of the levies allocated to the member districts is defined as the "general education levy" for an education district. An education district general education levy is subject to the same adjustments as a school district general education levy under chapter 124A.

Subd. 2. [REVENUE TRANSFER.] Each year, a member district of an education district that certifies general education revenue for all member districts must transfer general education revenue to the education district board according to this subdivision. By June 20

and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 1 minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 3. [GENERAL EDUCATION AID.] General education aid equals the general education revenue under section 124B.10, subdivision 1, minus the general education levy under subdivision 1 of this section. General education aid for an education district that certifies revenue under this section must be paid to the education district.

Sec. 43. Minnesota Statutes 1988, section 126.12, subdivision 2, is amended to read:

Subd. 2. Except for technical institutes, area learning centers, and staff development days permitted as part of the required minimum number of school days, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 44. Minnesota Statutes 1988, section 129B.53, subdivision 3, is amended to read:

Subd. 3. [RULES EXEMPTION.] Notwithstanding section 126.12 or any other law to the contrary, the center programs must be available throughout the entire year and may be available on Saturdays for pupils attending programs on those days. Pupils in a center may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, a pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Sec. 45. Minnesota Statutes 1988, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] (a) A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974,

section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533.

(b) An education district that negotiates a collective bargaining agreement for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 46. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.]

(a) A school district may levy for its early childhood family education program. The amount levied shall must not exceed the lesser of:

(a) a gross tax capacity rate of .4 percent times the adjusted gross tax capacity for taxes payable in 1990 or (1) a net tax capacity rate of .49 .54 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the school district for the year preceding the year the levy is certified, or,

(b) (2) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

(b) An education district with a revenue provision under section 122.91, subdivision 2b, clause (2), may certify to the department of education the amount of revenue to be raised for its early childhood family education program. The early childhood family education levy shall equal the product of:

(1) the ratio of the amount of revenue actually certified by the education district to the maximum revenue as defined by section 124.2711, subdivision 1, paragraph (c); times

(2) the lesser of:

(i) a net tax capacity rate of .54 percent times the adjusted net tax capacity of the education district for the year before the year the amount of revenue is certified; or

(ii) the maximum revenue as defined in section 124.2711, subdivision 1, paragraph (c), for the school year for which the revenue is attributable.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision shall transfer early childhood family education revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 47. Minnesota Statutes 1988, section 471.59, subdivision 2, is amended to read:

Subd. 2. [AGREEMENT TO STATE PURPOSE.] Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. A joint board that is composed of school district members may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or

charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Sec. 48. [COOPERATION AND COMBINATION DEFICIENCY.]

\$432,000 is appropriated from the general fund to the department of education for fiscal year 1991 for a deficiency in the amount appropriated for cooperation and combination aid. This amount is added to the appropriation in Laws 1989, chapter 329, article 6, section 53, subdivision 3.

Sec. 49. [EFFECTIVE DATE.]

Section 6, paragraph (b) is retroactively effective January 1, 1990. Sections 7, 13, 18, 20, 35, 37, 43, 44, and 47 are effective the day after their final enactment.

ARTICLE 7

OTHER AIDS AND LEVIES

Section 1. [SHAKOPEE; 1991 AID CALCULATIONS.]

For purposes of determining state aids for taxes payable in 1991, the fiscal disparity prior year adjustments in the city of Shakopee for taxes payable years 1986, 1987, and 1988 shall not be recognized.

Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective the day following compliance by the Shakopee city council with Minnesota Statutes, section 645.021, subdivision 2.

ARTICLE 8

OTHER PROGRAMS

Section 1. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish and maintain an office of educational leadership is established within the department of education. The purpose of the office is to assist school districts, education districts, and other education organizations in developing education policies that maximize the learning of all pupils.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 2, is amended to read:

Subd. 2. [OFFICE STRUCTURE.] The assistant commissioner of instructional effectiveness, in consultation with the assistant commissioner of development and partnership effectiveness, shall administer the office of educational leadership. A director in the unclassified service appointed by the assistant commissioner of instructional effectiveness shall manage the office.

Sec. 3. Minnesota Statutes 1988, section 123.9361, is amended to read:

123.9361 [ADMINISTRATIVE COSTS.]

Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the actual cost of administration of sections 123.933 and 123.935, which shall not exceed an amount equal to five percent of the district's or area's allocation for that year pursuant to those sections.

Sec. 4. Minnesota Statutes 1988, section 123.947, is amended to read:

123.947 [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The department of education shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks and individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The department of education or the servicing school district or the intermediary service area shall take adequate measures to ensure an accurate and periodic inventory of all textbooks and individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediary service

area of education determines, after notice and opportunity for hearing, that the textbooks and individualized instructional materials have been used in a manner contrary to the provisions of section 123.932, subdivision 1e, 123.933 or this section or any rules promulgated by the state board of education.

(e) Nothing contained in section 123.932, subdivision 1e, 123.933 or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

Sec. 5. [125.188] [ALTERNATIVE PREPARATION LICENSING.]

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the higher education teacher preparation program as a means to acquire an entrance license is established. The program may be offered in all instructional fields.

(b) To participate in the alternative preparation program the candidate must:

(1) have a bachelor's degree;

(2) pass state tests of skills in reading, writing, and mathematics administered by the board of teaching;

(3) have been offered a job to teach in a school district, consortium of districts, or an education district approved by the state board of teaching to offer an alternative preparation licensure program;

(4)(i) document a college major in the subject area to be taught; or

(ii) have five years of experience in a related field; and

(5) document successful experiences with children or in areas related to the subject to be taught.

(c) The alternative preparation license is of one year duration and is issued by the state board of teaching to participants on admittance to the alternative preparation program. The standard entrance license must be issued by the state board of teaching upon satisfactory completion of the program.

Subd. 2. [INELIGIBLE.] The following classes of persons are ineligible to participate in the alternative preparation program:

(1) persons licensed as elementary or secondary school teachers in Minnesota or another state; and

(2) persons who have been convicted of a felony.

Subd. 3. [CHARACTERISTICS.] The alternative preparation program has the following characteristics:

(1) a training phase conducted by a resident mentorship team made up of administrators, teachers, and college or university faculty members;

(2) a preinstruction phase involving intensive preparation before taking charge of a classroom;

(3) formal instruction and peer coaching during the school year;

(4) regular evaluation and assessment of the candidates to determine the candidate's specific needs and to try to ensure the candidates satisfactory completion of the program;

(5) a research based and results oriented approach focused on skills teachers need to be effective;

(6) assurance of integration of education theory and classroom practices;

(7) the shared design and delivery of training between school district personnel and college and university faculty; and

(8) regular systematic supervision of the alternative preparation candidate.

Subd. 4. [PROGRAM APPROVAL.] (a) The board of teaching shall approve alternative preparation programs based on criteria adopted by the board after hearing recommendations on the subject from an advisory task force appointed by the board.

(b) An alternative preparation program at a school district, consortium of schools, or an education district must have an affiliation with a post-secondary institution of teacher preparation.

Subd. 5. [APPROVAL FOR STANDARD ENTRANCE LICENSE.] The resident mentorship team must prepare for the board of teaching an evaluation report on the performance of the alternative preparation licensee during the school year and a positive or negative recommendation on whether the alternative preparation licensee shall receive a standard entrance license.

Subd. 6. [STANDARD ENTRANCE LICENSE.] The board of teaching shall issue a standard entrance license to an alternative preparation licensee who has successfully completed the school year in the alternative preparation program and who has received a positive recommendation from the licensee's mentorship team.

Subd. 7. [QUALIFIED TEACHER.] A person with a valid alternative preparation license is a qualified teacher within the meaning of section 125.04.

Sec. 6. Minnesota Statutes 1988, section 125.231, subdivision 6, is amended to read:

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, 1988 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations are being implemented for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and for ways in which teachers can be empowered through expanding to new and more professional roles.

By January 1 of 1989 and 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Sec. 7. [126.112] [MINNESOTA EDUCATION IN AGRICULTURE COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture council is established to promote education about agriculture.

Subd. 2. [GOVERNANCE.] The council is governed by an executive council board of directors. The board must be appointed by the governor and have 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Board terms and removal of members are as provided in section 15.0575. The board may organize and appoint committees as it considers necessary. Board members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.

Sec. 8. Minnesota Statutes 1989 Supplement, section 129.128, is amended to read:

129.128 [COMMISSIONER TO REPORT ON LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY ANNUAL REPORT.] The commissioner of education must report to the legislature before each regular session on the activities of the league. The report must contain at least:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes infor-

mation about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harrassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. [**URGE NEEDED LAWS RECOMMEND LAWS.**] The commissioner must recommend to the legislature whether any legislation is made necessary by league activities. The commissioner may recommend legislation based upon the contents of the commissioner's annual report presented to the legislature under subdivision 1.

Sec. 9. Minnesota Statutes 1989 Supplement, 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 a ~~gross tax capacity rate of 30 percent times the adjusted gross tax capacity of the district for taxes payable in 1990~~ or a net tax capacity rate of ~~1-0~~ 2.0 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. 10. Laws 1984, chapter 463, article 6, section 15, subdivision 2, is amended to read:

Subd. 2. [**USE OF PROCEEDS.**] The district shall establish a special account in the general fund which must be designated "appropriated fund balance reserve account to reduce preconsolidation operating debt" on its books and records. The account must reflect the levy authorized under this section. 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.

Sec. 11. Laws 1989, chapter 329, article 11, section 15, subdivision 2, is amended to read:

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.

\$110,000 each year is to provide \$10,000 annual grants to existing demonstration sites to further develop teacher mentorship programs. The department of education, in cooperation with the demonstration sites, must assist any interested district, group of districts, or coalition of districts, teachers and teacher education institutions in developing a teacher mentorship program.

\$90,000 each year is to provide grants to at least 18 districts, groups of districts or coalition of districts, teachers and teacher education institutions to initiate a teacher mentorship program that includes at least five probationary teachers. The commissioner shall award grants according to Minnesota Statutes, section 125.231, subdivisions 3 and 4. Grant program recipients must participate in training sessions and collaborate with existing demonstration sites.

\$50,000 each year is to evaluate the teacher mentorship program and to provide training and assistance.

Sec. 12. Laws 1989, chapter 329, article 11, section 15, subdivision 12, is amended to read:

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$160,000 1990

\$160,000 1991

Up to \$50,000 each year is contingent upon the department's receipt match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the private matching funds monetary contributions and in-kind contributions. The unencumbered balance of the amount actually appropriated

from the contingent amount in 1990 does not cancel but is available in 1991. The amount carried forward must not be used to establish a larger annual base in the appropriation for later fiscal years.

Sec. 13. Laws 1989, chapter 329, article 11, section 16, subdivision 2, is amended to read:

Subd. 2. [FACULTY EXCHANGE.] For expenses incurred by elementary and secondary teachers participating participants in the faculty education exchange:

\$25,000 1990

This appropriation is available until June 30, 1991.

Sec. 14. [AKELEY FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 301, Akeley, may permanently transfer any surplus amount from the capital expenditure fund to the general fund. The transfer is contingent upon independent school district No. 301, Akeley, consolidating under Minnesota Statutes, section 122.23, with independent school district No. 119, Walker. The transfer must take place before the end of the first full fiscal year that the consolidation is in effect. The transfer must be made to the general fund of the consolidated district.

Sec. 15. [SCHOOL OF EXCELLENCE.]

(a) The Minnesota academic excellence foundation and the department of education, in consultation with the state curriculum advisory committee, shall consider and prepare a report on the feasibility of establishing a Minnesota school of excellence program based upon the national school of excellence program. The report must at least discuss and recommend:

(1) standards of excellence established under the national school of excellence program that may be incorporated in a similar state program;

(2) criteria for showing improvement in academic performance over time by schools or districts participating in a state school of excellence program;

(3) alternatives for implementing a state school of excellence program based upon a detailed cost analysis of such a program;

(4) options for providing an external review process to verify the contents of an application submitted by a participating school or district; and

(5) funding mechanisms for permitting participating schools or districts to assist other schools or districts interested in participating in a state school of excellence program.

(b) The Minnesota academic excellence foundation and the department is to submit the report to the education committees of the legislature by February 1, 1991.

Sec. 16. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. [MENTORSHIP SITE GRANTS.] For grants for operating cooperative ventures between school district and post-secondary teacher preparation institutions:

\$150,000 1991

An application for a grant must be made by the cooperative. The funds must be used primarily to pay for coordination, instruction, and evaluation provided by the resident mentorship team.

Subd. 3. [FELLOWSHIP GRANTS.] For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$50,000 1991

A grant is not to exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Subd. 4. [SKILLS ASSESSMENT.] To continue to define the knowledge, skills, and dispositions that should be acquired and demonstrated by all candidates for licensure:

\$100,000 1991

Subd. 5. [LICENSURE EVALUATION.] To continue the evaluation of the effectiveness of baccalaureate, post-baccalaureate, and alternative teacher preparation programs in the state:

\$75,000 1991

Sec. 17. ["WAY TO GROW" APPROPRIATION.]

\$150,000 is appropriated in fiscal year 1991 from the general fund to the commissioner of state planning to award three grants under Minnesota Statutes, section 145.926. The grants must go to eligible applicants located outside the seven-county metropolitan area. Grant recipients must coordinate their programs with existing community-based programs serving children prebirth to age five. Grant recipients may use up to two percent of this appropriation for administrative costs.

This appropriation must not be used to establish a larger annual base appropriation for fiscal year 1992 and after.

Sec. 18. [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 indicated.

Subd. 2. [GRANTS TO SUBURBS.] For grants to suburban districts to assist districts required to implement desegregation plans in implementing those plans:

\$200,000 1991

Grants are available to suburban districts for educational costs associated with implementing plans that have been approved by the state board.

Subd. 3. [REPORT ON SCHOOL OF EXCELLENCE.] To prepare a report on the feasibility of establishing a Minnesota school of excellence program:

\$20,000 1991

Sec. 19. [EFFECTIVE DATE.]

Sections 1, 2, 5, 11, 12 and 13 are effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 3, is amended to read:

Subd. 3. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the commissioner of education, a member of the state board of education selected by the state board who shall

serve as chair and ~~15~~ 20 members to be appointed by the governor. Of the ~~15~~ 20 members appointed by the governor, ~~six~~ eight shall represent various education groups and ~~nine~~ 12 shall represent various business groups. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] The foundation may:

- (1) establish and collect membership fees;
- (2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;
- (3) receive money and, grants, and in-kind goods or services from nonstate sources for the purposes of the foundation;
- (4) contract with consultants; and
- (5) expend money for awards and other forms of recognition and appreciation.

Sec. 3. Minnesota Statutes 1989 Supplement, section 121.88, subdivision 9, is amended to read:

Subd. 9. [YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program with a youth development program, a plan must include a youth service program for pupils to promote active citizenship and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

- (1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;
- (2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community; and

(4) integration of academic learning with the service experience into the curriculum.

Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs; and

(5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 4. Minnesota Statutes 1988, section 121.908, subdivision 3, is amended to read:

Subd. 3. By December 31 of the calendar year of the submission of the unaudited financial statement, the district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance.

Sec. 5. Minnesota Statutes 1988, section 121.917, subdivision 4, is amended to read:

Subd. 4. (1) If the net negative undesignated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of the curriculum requirements of the state board.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to ~~chapter~~ chapters 124 and 124A until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 6. Minnesota Statutes 1988, section 123.33, subdivision 1, is amended to read:

Subdivision 1. The care, management, and control of independent districts shall be vested in a board of directors, to be known as the school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the school board shall consist of six elected directors together with such ex officio member as may be provided by law. But the board may submit to the electors at any school election the question whether the board shall consist of seven members and if a majority of those voting on the proposition favor a seven member board, a seventh member shall be elected at the next election of directors for a three-year term and thereafter the board shall consist of seven members.

Those districts with a seven member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six member board instead of a seven member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 7. Minnesota Statutes 1988, section 123.35, is amended by adding a subdivision to read:

Subd. 20. [HEALTH INSURANCE COSTS OF BOARD MEMBERS.] Notwithstanding section 471.61, a school board, ECSU board, or education district board must not pay for a board member to enroll in or continue coverage under a policy of accident and health insurance regulated under chapter 62A, a health maintenance contract regulated under chapter 62A, a health benefit certificate offered through a fraternal beneficiary association regulated under chapter 64B, or a group subscriber contract offered by a nonprofit health service plan corporation regulated under chapter 62A.

Sec. 8. Minnesota Statutes 1988, section 123.37, subdivision 1, is amended to read:

Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract for the purchase of a finished tangible product, a school board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no

satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Sec. 9. Minnesota Statutes 1988, section 123.38, subdivision 1, is amended to read:

Subdivision 1. Whenever it shall appear to be beneficial and for the best interest of the district and the pupils of the district to carry on any school sport activities or educational activities connected with their studies outside of the territorial limits of the school district, the board may must authorize such activities to be conducted under such rules and regulations as the board deems sufficient. The district may pay all necessary costs therefor including transportation from the school district funds available.

Sec. 10. Minnesota Statutes 1988, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. The board may must take charge of and control all extra curricular activities of the teachers and children of the public schools in the district. Extra curricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extra curricular activities have all of the following characteristics:

(a) They are not offered for school credit nor required for graduation;

(b) They are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(c) The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

If the board does not take charge of and control extra curricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions or other student fundraising events; moreover, the general fund or the technical institutes fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds and other revenues and expenditures for extra curricular activities shall be recorded pursuant to the "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts." If the board takes charge of and controls extra curricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district. If the board takes charge of and controls extra curricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board. If a school board does not authorize an extracurricular activity, a teacher or pupil must not participate in that activity. The school name, or any allied name, must not be used in an extracurricular activity without approval from the school board.

Sec. 11. Minnesota Statutes 1988, section 124.195, is amended by adding a subdivision to read:

Subd. 13. [DELAY OF PAYMENTS.] If the audited financial report required in section 121.908, subdivision 3, has not been corrected and submitted by June 30 following the date it is required to be submitted, the commissioner shall delay payments made according to subdivision 3 until the district correctly submits the report. If the commissioner determines that the report is delayed because of circumstances beyond the district's control, the commissioner may extend the June 30 deadline.

Sec. 12. Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBILITY FOR INCREASE CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15 (other than a school district) that, (A) negotiates a contract under chapter 179A with teachers, and (B) is established by, receives state money, or levies under chapters 120 to 129B or 136D, or section 275.125.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of vocational technical education.

(b) Notwithstanding subdivision 2 or any other law to the contrary, if a school board public employer and the bargaining unit exclusive representative of the teachers in a school district have not ratified shall both sign a contract by collective bargaining agreement on or before January 15, 1990, for the two year period ending June 30, 1991, the district is no longer eligible for \$25 of the formula allowance for fiscal year 1990 of each even-numbered calendar year. The total amount of money that would have been paid to districts that are not eligible according to this subdivision If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year must be reduced. However, state aid must not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before the last December 31 and filed required final positions on all unresolved items with the commissioner of mediation services before the signing deadline; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c) The reduction in aid equals \$25 times

(1) the number of actual pupil units in a school district during that fiscal year; or

(2) the number of actual pupil units in a program provided by a public employer other than a school district during the last fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in a school district or in a program provided by a public employer, and shall reduce general

education aid accordingly. If general education aid is insufficient to pay the reduction, or is not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be allocated returned to eligible districts according to the number of actual pupil units in all of the eligible districts the general fund.

Sec. 13. Minnesota Statutes 1988, section 125.185, is amended by adding a subdivision to read:

Subd. 10. [VARIANCES.] Notwithstanding subdivision 9 and section 14.05, subdivision 4, the board of teaching may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or management.

Sec. 14. Minnesota Statutes 1988, section 125.60, subdivision 2, is amended to read:

Subd. 2. The board of any district may grant an extended leave of absence without salary to any full- or part-time elementary, secondary, or technical institute teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full-time teaching service in Minnesota public elementary, secondary, and technical institutes. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once. If the school board denies a teacher's request, it shall provide reasonable justification for the denial.

Sec. 15. Minnesota Statutes 1988, section 126.666, subdivision 2, is amended to read:

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The advisory committee shall be representative of the community served by the district and include principals, teachers, parents, support staff, and other community residents. Whenever possible, parents, students and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs enumerated in section 124A.27, that the committee determines

should be offered. The recommendations shall be based on district needs and priorities.

Sec. 16. Minnesota Statutes 1988, section 126.666, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By October 1 of each year, the school board shall adopt, using state board standard reporting procedures, a report that includes the following:

- (1) learner outcomes adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans; and
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board; and
- (5) once during a district's curriculum review cycle, an evaluation of residents' satisfaction with the individual schools in the district based upon responses from students, parents and other district residents.

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

Sec. 17. [129B.79] [PARENTAL INVOLVEMENT PROGRAMS.]

Subdivision 1. [IMPROVING CHILDREN'S LEARNING ENVIRONMENT THROUGH PARENTAL INVOLVEMENT.] It is the intent of the legislature to enhance and support the role of parents and guardians in providing the best possible environment for the learning development of their children. The legislature recognizes that the educational partnership between the family, the school, and the community must be strengthened. Districts and parents or guardians are encouraged to jointly plan and implement parental involvement programs that will more fully involve parents or guardians in their children's learning development. The legislature believes that parent or guardian involvement in children's education raises the level of children's academic achievement, improves children's attitude and performance at school, helps parents or guardians understand the work of schools, enables parents or guardians and children to communicate more frequently and effectively, and builds school and community relationships in an on-going, problem preventing way.

Subd. 2. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas; and

(4) provide creative learning experiences for parents or guardians and their school-age children.

Subd. 3. [PLAN CONTENTS.] Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 4. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; or

(10) soliciting parents' suggestions in planning, developing and implementing school programs.

Subd. 5. [REPORT TO LEGISLATURE.] The commissioner of education must report to the education committees of the legislature by February 1, 1992, concerning the model plans developed by the department and provide in the report recommendations for implementing the plans.

Sec. 18. Minnesota Statutes 1988, section 181A.04, is amended by adding a subdivision to read:

Subd. 6. A high school student under the age of 18 must not be permitted to work after 11:00 p.m. on an evening before a school day.

For the purpose of this subdivision, a high school student does not include a student enrolled in an alternative education program approved by the state board of education under Minnesota Rules, part 3500.3500 or an area learning center, including area learning centers under sections 129B.52 to 129B.55 or according to section 121.11, subdivision 12.

Sec. 19. Minnesota Statutes 1988, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. [FINES; PENALTY.] Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or an authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any rules issued pursuant thereto shall be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:

- | | |
|--|-----------|
| (a) employment of minors under the age of 14 (each employee) | \$ 50 |
| (b) employment of minors under the age of 16 during school hours while school is in session (each employee) | 50 |
| (c) employment of minors under the age of 16 before 7:00 a.m. (each employee) | 50 |
| (d) employment of minors under the age of 16 after 9:00 p.m. (each employee) | 50 |
| (e) <u>employment of a high school student under the age of 18 after 11:00 p.m. in the evening before a school day, except a student enrolled in an alternative education program approved by the state board of education under Minnesota Rules, part 3500.3500 or an area learning center, including area learning centers under sections 129B.52 to 129B.55 or according to section 121.11, subdivision 12, (each employee)</u> | <u>50</u> |
| (e) (f) employment of minors under the age of 16 over eight hours a day (each employee) | 50 |
| (f) (g) employment of minors under the age of 16 over 40 hours a week (each employee) | 50 |
| (g) (h) employment of minors under the age of 18 in occupations hazardous or detrimental to their well-being as defined by rule (each employee) | 100 |
| (h) (i) employment of minors under the age of 16 in occupations hazardous or detrimental to their well-being as defined by rule (each employee) | 100 |
| (i) (j) minors under the age of 18 injured in hazardous employment (each employee) | 500 |
| (j) (k) minors employed without proof of age (each employee) | 5 |

An employer who refuses to make certificates or lists available as required by sections 181A.01 to 181A.12 shall be assessed a \$500 fine.

An employer who engages in repeated violations of sections 181A.01 to 181A.12, excluding section 181A.12, subdivision 1, clause (e), is also guilty of a gross misdemeanor. An employer who engages in repeated violations of section 181A.12, subdivision 1, clause (e), is also guilty of a misdemeanor.

Sec. 20. [237.065] [RATES FOR SPECIAL SERVICE TO SCHOOLS.]

Each telephone company, including a company that has developed an incentive plan under section 237.625, that provides local telephone service in a service area that includes a public school that has classes within the range from kindergarten to 12th grade shall provide, upon request, basic service to the school that is sufficient to ensure access to telephone service from each classroom, library, gymnasium, and other work station within the school. Each company shall set a flat rate for this service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section.

Sec. 21. [TELEPHONE COMPANIES TO SUBMIT RATES.]

Notwithstanding Minnesota Statutes, section 237.07, each telephone company, as defined in Minnesota Statutes, section 237.01, subdivision 2, that is subject to section 20 shall make the service required by section 20 available no later than January 1, 1991, and shall develop proposed rates for the services and submit them to the public utilities commission within 30 days of receipt by the company of a request for service.

Sec. 22. Laws 1988, chapter 718, article 6, section 23, is amended by adding a subdivision to read:

Subd. 3a. The task force shall consider the goals of an integrated data base descriptive of students, teachers, districts and buildings, finance and programs and activities including curricular and extra-curricular activities. The task force shall make recommendations to the 1991 legislature on the integrated data base goals, the implementation timeline, and funding. The department of education, the ESV computer council, and the uniform financial accounting and reporting standards council shall assist the task force in making this report.

Sec. 23. [COUNCIL ROLES.]

The state board shall review the roles of the ESV computer

advisory council established under section 121.934 and the uniform financial accounting and reporting standards advisory council established under section 121.901. The board shall report to the legislature on the roles of the councils and make recommendations for statutory changes.

Sec. 24. [BADGER SCHOOL DISTRICT BORROWING.]

Subdivision 1. [BORROWING AGAINST TAXES PAYABLE.] Independent school district No. 676, Badger, may borrow money to anticipate all general taxes previously levied by the district for school purposes, including taxes on which penalties for nonpayment or delinquency have accrued. Minnesota Statutes, sections 124.71 to 124.76, apply to the borrowing except as provided in this subdivision.

Subd. 2. [NO LOCAL APPROVAL.] According to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), subdivision 1 is effective the day following final enactment without local approval.

Sec. 25. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, the commissioner of education shall make a levy adjustment to the levies certified by independent school district No. 319, Nashwauk-Keewatin.

The commissioner shall reduce the district's general fund levy limit by \$163,373 and increase its down payment levy limit under section 124.82 by the same amount for levies certified in the fall of 1989, 1990, 1991, 1992, and 1993.

Sec. 26. [EFFECTIVE DATE FOR CERTAIN TEACHER EXAMS.]

Notwithstanding any law to the contrary, successful completion of an examination of skills in reading, writing, and mathematics, as required by Minnesota Statutes, section 125.05, subdivision 1, is applicable for all persons applying for initial secondary vocational teaching licenses effective April 8, 1991.

Sec. 27. [RULEMAKING; TEACHER PREPARATION TIME.]

Subdivision 1. [PROPOSED RULE.] The state board of education shall adopt a rule under Minnesota Statutes, chapter 14, establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In adopting any rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit prepa-

ration time to be scheduled at more than one time during the school day.

Subd. 2. [VARIANCE.] The state board's rule must establish a process and criteria for granting one-year variances from the rule for districts that are unable to comply with the rule.

Subd. 3. [RULEMAKING COSTS.] The costs of rulemaking required by this section must be covered by the regular operating appropriation to the department of education.

Subd. 4. [EFFECTIVE DATE OF RULE.] The state board must complete chapter 14 procedures and report the rule to the legislature by February 15, 1991. Notwithstanding Minnesota Statutes, section 14.18, the rule is not effective until it has been approved by a bill enacted into law.

Sec. 28. [BIENNIAL BUDGET PREPARATION.]

The state board shall report to the education committees of the legislature by February 15, 1991, on the cost to school districts of implementing the rule adopted according to the section on teacher preparation time.

Sec. 29. [NEGOTIATED INCENTIVE PLAN; PARTICIPATION IN RETIREMENT FUND.]

A teacher employed by independent school district No. 709, Duluth, who voluntarily participates in an incentive plan negotiated by the school board and the exclusive representative of the teachers permitting 80 percent payment of salary over a five-year period, during which the teacher works four years and is on leave the fifth year, may receive service credit in the Duluth teachers retirement fund association for the entire five-year period of the incentive plan if the teacher and the employing board make employer and employee contributions for the period based on the annual salary the teacher would have received if teaching in the district during the period without the salary reduction to 80 percent.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 2, 8, 12, 14, 18, and 19 are effective the day following final enactment.

ARTICLE 10

ARTICLE 11

ARTICLE 12

STATE AGENCY APPROPRIATIONS

Section 1. Laws 1989, chapter 329, article 12, section 9, subdivision 2, is amended to read:

Subd. 2. [EDUCATIONAL SERVICES.]

\$8,302,000 1990

\$7,571,000 1991

\$21,000 each year is from the trunk highway fund.

\$100,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

The federal complement of the community education section is increased by 3.0.

The base in the learner support section is reduced by \$691,000 in 1991.

\$1,191,000 in 1990 and \$500,000 in 1991 are for the learner support section. Any unexpended balance remaining in the first year is available for the second year. For the purpose of developing the fiscal years 1992-1993 biennial budget, the base for the learner support section is \$220,000 each year plus allowable statewide department of finance base adjustments.

The state complement in the institutional approval section is increased by 1.0.

The state complement in the equal opportunities section is increased by 1.0.

The state complement of the Indian education section is increased by 4.0.

\$47,000 is added to the vocational student organization base in 1990 only.

The state complement of the assessment and program evaluation

section is increased by 4.5. \$495,000 each year is for 2.0 of the 4.5 complement and for continued development of the assessment item bank and for technical assistance to districts in the use of assessment measures including the item bank.

One complement in the curriculum services section is transferred from the public health fund to the general fund.

\$450,000 each year may be used for the identification and integration of learner outcomes. Of these amounts, \$175,000 in fiscal year 1990 is for the identification and development of vocational career learner outcomes. Any unencumbered funds do not cancel but are available in fiscal year 1991.

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 1.0 for the office of educational leadership and the federal complement includes 3.0 for the office of educational leadership.

Sec. 2. Laws 1989, chapter 329, article 12, section 11, is amended to read:

Sec. 11. [MINNESOTA CENTER FOR ARTS EDUCATION.]

Total Appropriations	\$5,800,000	\$6,200,000
Approved Complement -	1990	1991
General Fund -	39.0	49.0 53.0
Total -	39.0	49.0 <u>53.0</u>

The state complement for the Minnesota center for arts education is increased by 18.0 for the first year and ~~28.0~~ 32.0 the second year.

Any unexpended balance from the appropriation in this section in 1990 does not cancel but is available in 1991.

Sec. 3. [DEPARTMENT OF EDUCATION REDUCTION.]

The appropriations to the department of education in Laws 1989, article 12, section 9, subdivisions 2 and 3, for fiscal year 1991 are reduced by \$314,000. The commissioner must allocate this reduction within the agency.

The state complement for the fiscal year 1991 base must be adjusted to reflect the reduction in appropriations.

The state complement of the learner support section is increased by 2.0 to support the drug prevention programs in article 4.

The state complement of the community education section is increased by 1.0 to support the drug prevention programs in article 4.

The state complement of the vocational education section is increased by 3.5 and the federal complement by 1.0 to replace services for vocational student organizations that had been provided under contract.

The state complement of the financial management and transportation section is increased by 1.0 to implement additional facilities responsibilities as required under article 5.

Sec. 4. [ARTS CENTER REDUCTION.]

The appropriation to the Minnesota center for arts education in Laws 1989, article 12, section 11, for fiscal year 1991 is reduced by \$177,000.

Sec. 5. [ETHICS CURRICULUM.]

The department of education shall identify a model ethics curriculum currently being taught in one or more K-12 schools in Minnesota. The department shall compile the curriculum, notify the districts, and make it available to schools upon request.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 13

TECHNICAL RATE CHANGES

Section 1. Minnesota Statutes 1989 Supplement, section 124.10, subdivision 2, is amended to read:

Subd. 2. The county auditor shall at the time of making the ~~March~~ May and November tax settlements of each year apportion to the several districts the amount received from liquor licenses, fines, estrays, and other sources belonging to the general school fund. The apportionment shall be made in proportion to each district's net tax capacity within the county in the prior year. No district shall receive any part of the money received from liquor licenses unless all sums paid for such licenses in such district are apportioned to the county school fund.

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 8, is amended to read:

Subd. 8. [ADULT BASIC EDUCATION LEVY.] To obtain adult basic education aid, a district may levy an amount not to exceed the amount raised by a gross tax capacity rate of ~~.16~~ 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 .20~~ .21 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a gross tax capacity rate of ~~0.8~~ percent times the ~~adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0~~ 1.07 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 4. Minnesota Statutes Second 1989 Supplement, 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 lesser of one, or the ratio of:

(1) the quotient derived by dividing (a) the adjusted gross tax capacity for fiscal year 1991, and (b) the adjusted net tax capacity for 1992 and later fiscal years, 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) ~~\$7,128.10~~ \$7,103.60 for fiscal year 1991 and \$5,304 for 1992 and later fiscal years.

Sec. 5. Minnesota Statutes 1989 Supplement, 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 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 net 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 \$7,258.

Sec. 6. Minnesota Statutes 1989 Supplement, 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 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 .10 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year. 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. To obtain a subsidy, an eligible teacher must submit to the school district a copy of receipts for health insurance premiums paid. The school district shall disburse the health insurance premium subsidy to each eligible teacher according to a schedule determined by the district, but at least annually. 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. 7. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] A district may levy for its early childhood family education program. The amount levied shall not exceed the lesser of:

(a) a gross tax capacity rate of ~~4~~ percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of ~~.49~~ .54 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the 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. 8. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 9a, is amended to read:

Subd. 9a. [STATUTORY OPERATING DEBT LEVY.] (1) In each year 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 be an amount which is equal to the amount raised by a levy of a gross tax capacity rate of ~~1.20~~ 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 ~~1.50~~ 1.66 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 a gross tax capacity rate of ~~1.20~~ 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 ~~1.50~~ 1.66 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. 9. Minnesota Statutes 1989 Supplement, 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 a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.50 1.85 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. 10. Minnesota Statutes 1989 Supplement, 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 a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.50 1.85 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. 11. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 18, is amended to read:

Subd. 18. [NOTICE OF CERTIFIED LEVIES LEVY INFORMATION.] By September 15 of each year each district shall notify the commissioner of education of the proposed levies in compliance with the levy limitations of this section and chapters 124 and 124A. By January 15 of each year each district shall notify the commissioner of education of the final levies certified. The commissioner of education shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

Delete the title and insert:

"A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.37, subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361;

123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.03, subdivision 2; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1."

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

The report was adopted.

MOTIONS AND RESOLUTIONS

Stanius moved that the name of Tjornhom be added as an author on H. F. No. 1673. The motion prevailed.

Dempsey moved that the name of Henry be added as an author on H. F. No. 1784. The motion prevailed.

Abrams moved that the names of Orenstein and Henry be added as authors on H. F. No. 1882. The motion prevailed.

Skoglund moved that the name of Lynch be added as an author on H. F. No. 2205. The motion prevailed.

Wenzel moved that the name of Steensma be added as an author on H. F. No. 2662. The motion prevailed.

Rest moved that H. F. No. 2420, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Gutknecht moved that H. F. No. 1097 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 1430 be returned to its author. The motion prevailed.

Blatz moved that H. F. No. 1641 be returned to its author. The motion prevailed.

Pauly moved that H. F. No. 1675 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 1934 be returned to its author. The motion prevailed.

Tompkins moved that H. F. No. 1992 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2246 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2247 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 2555 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:30 p.m., Monday, March 26, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Monday, March 26, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives