

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 18, 1991

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Senator Pat Piper, District 31, Austin, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omamn	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanisus
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggun
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmán
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

Ogren was excused until 1:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Simoneau moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1440 and H. F. No. 1459, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 1440 be substituted for H. F. No. 1459 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. No. 1440 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wejcman, Bodahl and Hanson introduced:

H. F. No. 1707, A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 244; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

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

Pauly, Vellenga, Welker and Johnson, A., introduced:

H. F. No. 1708, A bill for an act relating to state government; providing for an official state book; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Kalis, Pauly, Lieder, Uphus and Orenstein introduced:

H. F. No. 1709, A bill for an act relating to transportation; authorizing municipalities to create transportation utilities; proposing coding for new law in Minnesota Statutes, chapter 444.

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

Battaglia; Solberg; Anderson, I.; Vanasek and Johnson, V., introduced:

H. F. No. 1710, A bill for an act relating to natural resources; forest practices on nonfederal forest lands; establishing a state board of forestry; an advisory board to the state board of forestry; setting forth general policies for timber management; prescribing methods of notification, actions for violations, appeals, and civil penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

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

Pugh, Scheid, Boo and Jacobs introduced:

H. F. No. 1711, A bill for an act relating to insurance; credit life; regulating the amount of insurance that is sold; amending Minnesota Statutes 1990, section 62B.04, subdivision 1.

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

Seaberg, Uphus, Goodno and Waltman introduced:

H. F. No. 1712, A bill for an act relating to elections; prohibiting campaign contributions except between the time a candidate files and the day the term of the office sought begins; amending Minne-

sota Statutes 1990, section 10A.15, by adding a subdivision; and 10A.27, subdivision 1.

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

Marsh introduced:

H. F. No. 1713, A bill for an act relating to health; requiring the licensing of radiologic technologists; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Kahn, Wejcman, Clark, Dawkins and Bishop introduced:

H. F. No. 1714, A resolution memorializing Congress to direct the federal Food and Drug Administration to conduct clinical trials on the drug RU-486.

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

Lourey, Segal and Krueger introduced:

H. F. No. 1715, A bill for an act relating to human service; establishing an interactive audio-visual communication system for mental health services in the Arrowhead region; appropriating money.

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

Steensma, Gutknecht, Dauner, Welle and Nelson, S., introduced:

H. F. No. 1716, A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1990, section 256B.0625, 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:

Clark, Simoneau, Munger, Pelowski and Schreiber introduced:

H. A. No. 34, A proposal for a legislative investigation and evaluation of funding for lead abatement.

The advisory was referred to the Committee on 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. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 633, A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

The Senate has appointed as such committee:

Messrs. Davis, Merriam, Berg, Vickerman and Renneke.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15,

16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

The Senate has appointed as such committee:

Messrs. Luther, Solon, Larson and Hottinger and Ms. Flynn.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

The Senate has appointed as such committee:

Messrs. Marty, Belanger and Metzen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 181, A bill for an act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amending Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.

The Senate has appointed as such committee:

Messrs. Novak and Mondale and Ms. Johnson, J. B.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 202, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

The Senate has appointed as such committee:

Messrs. Chmielewski, Riveness and McGowan.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 289, A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

The Senate has appointed as such committee:

Messrs. Luther, Hottinger and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 317, A bill for an act relating to marriage dissolution; clarifying procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

The Senate has appointed as such committee:

Ms. Reichgott; Messrs. Spear and Neuville.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 459, A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivisions 2 and 3; 611.31; and 611.32.

The Senate has appointed as such committee:

Messrs. Merriam, Spear and Neuville.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 606, A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and break-away standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

The Senate has appointed as such committee:

Ms. Johnston; Messrs. DeCramer and Langseth.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

The Senate has appointed as such committee:

Messrs. Sams, Beckman and Renneke.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 887, A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

The Senate has appointed as such committee:

Messrs. Berg; Frederickson, D. R., and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 958, A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

The Senate has appointed as such committee:

Messrs. Berg; Frederickson, D. R., and Morse.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

The Senate has appointed as such committee:

Messrs. Marty, Merriam and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1142, A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484;

repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

The Senate has appointed as such committee:

Mr. Luther; Ms. Ranum and Mr. Halberg.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 345, A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving the sexual abuse of a minor; expanding the statute of limitations in criminal sexual conduct cases involving a minor victim and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 345 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 345, A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving sexual abuse; eliminating the statute of limitations in criminal sexual conduct cases involving a minor victim and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; 609.3461; and 628.26.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R.	Girard	Koppendraye	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanisus
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggrum
Begich	Hanson	Lieder	Ostrom	Thompson
Bertram	Hartle	Limmer	Ozment	Tompkins
Bettermann	Hasskamp	Long	Pauly	Trimble
Bishop	Haukoos	Lourey	Pellow	Tunheim
Blatz	Hausman	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcmann
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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. 1190, A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to

H. F. No. 1190 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1190, A bill for an act relating to utilities; prescribing a water use permit processing fee; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exemptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 103G.271, subdivision 6; 216B.62, subdivision 5; and 216D.01, subdivision 5.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, I.	Girard	Koppendrayner	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanis
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Swigum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejzman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	
Frerichs	Kinkel	Olson, E.	Skoglund	

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. 1246, A bill for an act relating to energy; expanding

conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 1246 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; providing transitional spending requirements; requiring studies; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; 239.78; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

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 116 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Lasley	Orenstein	Smith
Battaglia	Gruenes	Lieder	Orfield	Solberg
Bauerly	Gutknecht	Limmer	Osthoff	Sparby
Beard	Hanson	Long	Ostrom	Stanius
Begich	Hartle	Lourey	Ozment	Steensma
Bertram	Hasskamp	Lynch	Pauly	Swenson
Bettermann	Hausman	Macklin	Pellow	Thompson
Bishop	Heir	Mariani	Pelowski	Tompkins
Blatz	Henry	Marsh	Peterson	Trimble
Bodahl	Hufnagle	McEachern	Pugh	Tunheim
Boo	Jacobs	McGuire	Reding	Valento
Brown	Janezich	Milbert	Rest	Vellenga
Carlson	Jaros	Morrison	Rice	Wagenius
Carruthers	Jefferson	Munger	Rodosovich	Waltman
Clark	Jennings	Murphy	Rukavina	Weaver
Cooper	Johnson, A.	Nelson, K.	Runbeck	Wejman
Dauner	Johnson, R.	Nelson, S.	Sarna	Welle
Dawkins	Johnson, V.	Newinski	Schafer	Wenzel
Dempsey	Kahn	O'Connor	Scheid	Winter
Dille	Kalis	Olsen, S.	Schreiber	Spk. Vanasek
Dorn	Kelso	Olson, E.	Seaberg	
Erhardt	Kinkel	Olson, K.	Segal	
Farrell	Knickerbocker	Omann	Simoneau	
Frederick	Krueger	Onnen	Skoglund	

Those who voted in the negative were:

Abrams	Daids	Goodno	Koppendraye	Svigum
Anderson, R.	Frerichs	Haukoos	Krinkie	Uphus
Anderson, R. H.	Girard	Hugoson	McPherson	Welker

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. 1542, A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 1542 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1542, A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3;

and 325E.0951, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, K.	Smith
Anderson, I.	Frerichs	Knickerbocker	Omann	Solberg
Anderson, R.	Garcia	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Girard	Krinkie	Orenstein	Stanisus
Battaglia	Goodno	Krueger	Orfield	Steensma
Bauerly	Greenfield	Lasley	Osthoff	Sviggun
Beard	Gruenes	Leppik	Ostrom	Swenson
Begich	Gutknecht	Lieder	Ozment	Thompson
Bertram	Hanson	Limmer	Pauly	Tompkins
Bettermann	Hartle	Long	Pellow	Trimble
Bishop	Hasskamp	Lourey	Pelowski	Tunheim
Blatz	Haukoos	Lynch	Peterson	Uphus
Bodahl	Hausman	Macklin	Pugh	Valento
Boo	Heir	Mariani	Reding	Vellenga
Brown	Henry	Marsh	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcmian
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jefferson	Morrison	Sarna	Welle
Davids	Jennings	Munger	Schafer	Wenzel
Dawkins	Johnson, A.	Murphy	Scheid	Winter
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Johnson, V.	Newinski	Seaberg	
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Olsen, S.	Simoneau	
Farrell	Kelso	Olson, E.	Skoglund	

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. 398, A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; and 204B.195.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Osthoff moved that the House concur in the Senate amendments to H. F. No. 398 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 398, A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; permitting students in polling places for educational purposes; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; 204B.195; 204B.27, by adding a subdivision; 204C.06, subdivision 2; and 204D.165.

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 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Olson, E.	Segal
Anderson, I.	Frerichs	Kelso	Olson, K.	Simoneau
Anderson, R.	Garcia	Kinkel	Omann	Skoglund
Anderson, R. H.	Girard	Knickerbocker	Onnen	Smith
Battaglia	Goodno	Koppendrayer	Orenstein	Solberg
Bauerly	Greenfield	Krueger	Orfield	Sparby
Beard	Gruenes	Lasley	Osthoff	Stanisus
Begich	Gutknecht	Leppik	Ostrom	Swenson
Bertram	Hanson	Lieder	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Hausman	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Boo	Henry	Mariani	Pugh	Vellenga
Brown	Hufnagle	McEachern	Reding	Wagenius
Carlson	Hugoson	McGuire	Rest	Waltman
Carruthers	Jacobs	McPherson	Rice	Weaver
Clark	Janezich	Milbert	Rodosovich	Wejeman
Cooper	Jaros	Morrison	Rukavina	Welle
Dawkins	Jefferson	Munger	Runbeck	Wenzel
Dempsey	Jennings	Murphy	Sarna	Winter
Dille	Johnson, A.	Nelson, K.	Schafer	Spk. Vanasek
Dorn	Johnson, R.	Newinski	Scheid	
Erhardt	Johnson, V.	O'Connor	Schreiber	
Farrell	Kahn	Olsen, S.	Seaberg	

Those who voted in the negative were:

Dauner	Krinkie	Nelson, S.	Tompkins
Dauids	Limmer	Steenma	Welker
Haukoos	Marsh	Swiggum	

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. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 1147 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring a study; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; permitting payment of money by payroll deduction to credit unions as well as payment by direct deposit to credit unions or financial institutions; amending Minnesota Statutes 1990, sections 16A.133, subdivision 1; 16B.88, subdivision 1; 43A.08, subdivisions 1, 1a, and by adding a subdivision; 43A.18, subdivision 4; 43A.37, subdivision 1; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; amending Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

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 93 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Krueger	Olson, K.	Skoglund
Anderson, R.	Gutknecht	Lasley	Orenstein	Solberg
Battaglia	Hanson	Lieder	Orfield	Sparby
Bauerly	Hartle	Long	Osthoff	Steensma
Beard	Hasskamp	Lourey	Ostrom	Thompson
Bertram	Hausman	Lynch	Ozment	Tompkins
Bishop	Hugoson	Macklin	Pelowski	Trimble
Blatz	Jacobs	Mariani	Peterson	Tunheim
Bodahl	Janezich	McEachern	Pugh	Uphus
Brown	Jaros	McGuire	Reding	Vellenga
Carlson	Jefferson	Milbert	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Weaver
Clark	Johnson, A.	Murphy	Rodosovich	Wejzman
Cooper	Johnson, R.	Nelson, K.	Rukavina	Welle
Dawkins	Johnson, V.	Nelson, S.	Runbeck	Wenzel
Dille	Kahn	Newinski	Sarna	Winter
Dorn	Kalis	O'Connor	Scheid	Spk. Vanasek
Farrell	Kelso	Olsen, S.	Segal	
Garcia	Kinkel	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Erhardt	Henry	McPherson	Smith
Anderson, R. H.	Frederick	Hufnagle	Morrison	Stanius
Begich	Frerichs	Knickerbocker	Omann	Sviggum
Bettermann	Girard	Koppendrayer	Onnen	Swenson
Boo	Goodno	Krinkie	Pauly	Valento
Dauner	Gruenes	Leppik	Pellow	Waltman
Davids	Haukoos	Limmer	Schafer	Welker
Dempsey	Heir	Marsh	Seaberg	

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. 304, A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, I., moved that the House concur in the Senate amendments to H. F. No. 304 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 304, A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

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 79 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Lieder	Orenstein	Skoglund
Anderson, R.	Hanson	Long	Orfield	Solberg
Battaglia	Hasskamp	Lourey	Osthoff	Sparby
Bauerly	Hausman	Mariani	Ostrom	Steensma
Beard	Jacobs	McEachern	Ozment	Thompson
Begich	Janezich	McGuire	Pelowski	Tompkins
Bertram	Jaros	Milbert	Peterson	Trimble
Brown	Jefferson	Morrison	Pugh	Tunheim
Carlson	Jennings	Munger	Rest	Vellenga
Carruthers	Johnson, A.	Murphy	Rice	Wagenius
Clark	Johnson, R.	Nelson, K.	Rodosovich	Wejzman
Cooper	Kahn	Newinski	Rukavina	Welle
Dawkins	Kalis	O'Connor	Sarna	Wenzel
Dorn	Kinkel	Olsen, S.	Scheid	Winter
Farrell	Krueger	Olson, E.	Segal	Spk. Vanasek
Garcia	Lasley	Olson, K.	Simoneau	

Those who voted in the negative were:

Abrams	Erhardt	Hufnagle	Marsh	Smith
Anderson, R. H.	Frederick	Hugoson	McPherson	Stanius
Bettermann	Frerichs	Johnson, V.	Nelson, S.	Sviggunn
Bishop	Girard	Kelso	Omann	Swenson
Blatz	Goodno	Knickerbocker	Onnen	Uphus
Bodahl	Gruenes	Koppendrayner	Pauly	Valento
Boo	Gutknecht	Krinkie	Pellow	Waltman
Dauner	Hartle	Leppik	Runbeck	Weaver
Davids	Haukoos	Limmer	Schafer	Welker
Dempsey	Heir	Lynch	Schreiber	
Dille	Henry	Macklin	Seaberg	

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. 1387, A bill for an act relating to public administration; permitting certain leases; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, sections 16B.61, by adding a subdivision; and 16B.24, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Runbeck moved that the House concur in the Senate amendments to H. F. No. 1387 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1387, A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanis
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmann
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

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

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 520, A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

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

Messrs. Kelly, McGowan and Marty.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Dawkins moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 520. The motion prevailed.

Mr. Speaker:

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

H. F. No. 930, A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House refuse to concur in the Senate

amendments to H. F. No. 930, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 800.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 800

A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

May 16, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 800, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 800 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

For the purposes of section 1 to 4, "ecologically harmful exotic species" means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive

for limiting factors, and cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Sec. 2. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

Sec. 3. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]

Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.

Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of

1990. A portion of these funds shall be used to implement the plan under section 2.

Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control

Sec. 4. [84.9691] [RULEMAKING.]

The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.

Sec. 5. Minnesota Statutes 1990, section 97A.445, subdivision 2, is amended to read:

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital;
- (3) an inmate of a state correctional facility; ~~and~~

(4) a resident of a licensed nursing or boarding care home, a person who is enrolled in and regularly participates in an adult day care program or other similar organized activity sponsored by a licensed nursing or boarding care home, or a resident of a licensed board and lodging facility; and

(5) a resident of a drug or alcohol residential treatment program under the age of 20.

Sec. 6. Minnesota Statutes 1990, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, elk, or moose ~~when:~~

(1) ~~the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or~~

(2) the animal is on a motor vehicle at the site of the kill before the animal is removed from the site of the kill, and must remain attached to the animal until the animal is processed for storage.

Sec. 7. Minnesota Statutes 1990, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is temporarily or permanently physically unable to walk ~~with or without crutches, braces, or other mechanical support, or who has a physical disability which substantially limits the person's ability to walk.~~ The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician. A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit.

Sec. 8. Minnesota Statutes 1990, section 97B.106, is amended to read:

97B.106 [CROSSBOW PERMITS FOR HUNTING.]

The commissioner may issue a special permit, without a fee, to take deer or turkey with a crossbow to a person that is unable to hunt by archery because of a permanent or temporary physical disability. To qualify a person for a special permit under this section, a temporary disability must render the person unable to hunt by archery for a minimum of two years after application for the permit is made. The permanent or temporary disability, established by medical evidence, and the inability to hunt by archery for the required period of time must be verified in writing by a licensed physician. The person must obtain the appropriate license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 9. Minnesota Statutes 1990, section 97B.935, subdivision 3, is amended to read:

Subd. 3. [SPECIAL PERMIT FOR DISABLED.] The commissioner may issue a special permit, in the manner provided in section 97B.055, subdivision 3, to use a snowmobile or all-terrain vehicle to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts to a licensed trapper physically unable to walk as specified in section 97B.055, subdivision 3.

Sec. 10. [CHECKS OF TRAILED BOATS.]

(a) The commissioner of natural resources shall establish a two-year program of at least five checks per year of trailed boats. The purpose of the checks is to inspect boats and trailers for Eurasian water milfoil fragments, and to inform and educate the boat owners about Eurasian water milfoil and other exotic species and how to prevent their spread.

(b) The commissioner shall assess the effectiveness of the program established in paragraph (a), keep records on the occurrence of Eurasian water milfoil fragments or other exotic species, and report to the legislature by January 1, 1993.

Sec. 11. [PILOT PROJECT FOR TAKING TWO DEER.]

(a) Notwithstanding Minnesota Statutes, section 97B.301, in the 1991 and 1992 hunting seasons, the commissioner must allow a person to take two deer per season, one by firearm and one by archery, in the counties of Marshall, Kittson, and Roseau. A person taking two deer under this section must obtain a license for each method of hunting.

(b) The commissioner shall conduct a study on the provisions of paragraph (a) including, but not limited to, a review of the impact on the deer population, the participation and satisfaction of hunters, and the success ratio. By February 15, 1993, the commissioner must report on the study to the house and senate committees with jurisdiction over natural resources.

Sec. 12. [TAGGING REPORT.]

The commissioner must review the tagging requirement in Minnesota Statutes, section 97A.535, subdivision 1, and report to the house and senate committees with jurisdiction over natural resources by February 15, 1993, on any recommended changes to the requirement.

Sec. 13. [EFFECTIVE DATE.]

Section 5 is effective the day following its final enactment. Sections 7 to 9 are effective August 1, 1991. Section 6 is effective August 1, 1992."

Delete the title and insert:

"A bill for an act relating to natural resources; requiring a plan and program for control of ecologically harmful species of plants and animals; revising certain provisions relating to the taking, possession, and transportation of wild animals; requiring reports; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 84."

We request adoption of this report and repassage of the bill.

Senate Conferees: LEONARD R. PRICE, GENE MERRIAM AND BOB LESSARD.

House Conferees: BRAD STANIUS, WALLY SPARBY AND LEO J. REDING.

Stanisus moved that the report of the Conference Committee on S. F. No. 800 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 800, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Girard	Heir
Anderson, I.	Blatz	Dawkins	Goodno	Henry
Anderson, R.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.

Johnson, R.	Macklin	Omann	Runbeck	Trimble
Johnson, V.	Mariani	Onnen	Sarna	Tunheim
Kahn	Marsh	Orenstein	Schafer	Uphus
Kalis	McEachern	Orfield	Scheid	Valento
Kelso	McGuire	Osthoff	Schreiber	Vellenga
Kinkel	McPherson	Ostrom	Seaberg	Wagenius
Knickerbocker	Milbert	Ozment	Segal	Waltman
Koppendrayner	Morrison	Pauly	Simoneau	Weaver
Krinkie	Munger	Pellow	Smith	Wejzman
Krueger	Murphy	Pelowski	Solberg	Welker
Lasley	Nelson, K.	Peterson	Sparby	Welle
Leppik	Nelson, S.	Pugh	Stanis	Wenzel
Lieder	Newinski	Reding	Steensma	Winter
Limmer	O'Connor	Rest	Sviggum	Spk. Vanasek
Long	Olsen, S.	Rice	Swenson	
Lourey	Olson, E.	Rodosovich	Thompson	
Lynch	Olson, K.	Rukavina	Tompkins	

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

Mr. Speaker:

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

S. F. No. 1027.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1027

A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

May 15, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1027, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1027 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [85.045] [ADOPT-A-PARK PROGRAM.]

Subdivision 1. [CREATION.] The Minnesota adopt-a-park program is established. The commissioner shall coordinate the program through the regional offices of the department of natural resources.

Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, monuments, historic sites, and trails.

Subd. 3. [AGREEMENTS.] (a) The commissioner shall enter into informal agreements with business and civic groups or individuals for volunteer services to maintain and make improvements to real and personal property in state parks, monuments, historic sites, and trails in accordance with plans devised by the commissioner after consultation with the groups.

(b) The commissioner may erect appropriate signs to recognize and express appreciation to groups and individuals providing volunteer services under the adopt-a-park program.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the adopt-a-park program.

(d) This section is not subject to chapter 14.

Subd. 4. [WORKER DISPLACEMENT PROHIBITED.] The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the adopt-a-park program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Sec. 2. [STUDY AND REPORT.]

The department of natural resources shall study and report to the appropriate committees of the senate and house of representatives by March 1, 1992, on the implementation of the program established in section 1. The study must focus on major elements of the program,

including liability for personal injury or property damage, the relationship between program participants and departmental employees, project selection, program costs, support services for program volunteers, and recognition of accomplishments. The report must be accompanied by recommended legislation for improving the program.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; ensuring that the program does not conflict with public employee duties; proposing coding for new law in Minnesota Statutes, chapter 85."

We request adoption of this report and repassage of the bill.

Senate Conferees: LEONARD R. PRICE AND GENE MERRIAM.

House Conferees: BOB JOHNSON, VIRGIL J. JOHNSON AND TOM RUKAVINA.

Johnson, R., moved that the report of the Conference Committee on S. F. No. 1027 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carlson	Davids
Anderson, I.	Beard	Blatz	Carruthers	Dawkins
Anderson, R.	Begich	Bodahl	Clark	Dempsey
Anderson, R. H.	Bertram	Boo	Cooper	Dille
Battaglia	Bettermann	Brown	Dauner	Dorn

Erhardt	Jefferson	Marsh	Pauly	Steensma
Farrell	Jennings	McEachern	Pellow	Sviggum
Frederick	Johnson, A.	McGuire	Pelowski	Swenson
Frerichs	Johnson, R.	McPherson	Peterson	Thompson
Garcia	Johnson, V.	Milbert	Pugh	Tompkins
Girard	Kahn	Morrison	Reding	Trimble
Goodno	Kalis	Munger	Rest	Tunheim
Greenfield	Kelso	Murphy	Rice	Uphus
Gruenes	Kinkel	Nelson, K.	Rodosovich	Valento
Gutknecht	Knickerbocker	Nelson, S.	Rukavina	Vellenga
Hanson	Koppendrayner	Newinski	Runbeck	Wagenius
Hartle	Krinkie	O'Connor	Sarna	Waltman
Hasskamp	Krueger	Olsen, S.	Schafer	Weaver
Haukoos	Lasley	Olson, E.	Scheid	Wejman
Hausman	Leppik	Olson, K.	Schreiber	Welker
Heir	Lieder	Omann	Segal	Welle
Henry	Limmer	Onnen	Simoneau	Wenzel
Hufnagle	Long	Orenstein	Skoglund	Winter
Hugoson	Lourey	Orfield	Smith	Spk. Vanasek
Jacobs	Lynch	Osthoff	Solberg	
Janezich	Macklin	Ostrom	Sparby	
Jaros	Mariani	Ozment	Stanius	

The bill was repassed, as amended by Conference, 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. 338, 780, 1317, 93, 414, 494, 666 and 598.

PATRICK E. FLAHAVEN, Secretary of the Senate

Schafer was excused between the hours of 1:00 p.m. and 4:45 p.m.

FIRST READING OF SENATE BILLS

S. F. No. 338, A bill for an act relating to retirement; various public employee pension plans; providing for the continuation of surviving spouse benefits in the event of remarriage in certain circumstances; modifying the surviving spouse benefit of the legislators retirement plan; modifying the duties and functions of the consulting actuary retained by the legislative commission on pensions and retirement; modifying the various public pension plan actuarial reporting requirements; recodifying the state university-community college supplemental retirement plan; authorizing a purchase of prior service credit; amending Minnesota Statutes 1990, sections 3.85, subdivision 11; 3A.04, subdivision 1; 352B.11, subdivision 2; 352C.04, subdivisions 1 and 4; 353.01, subdivision 20; 353.31, subdivision 1; 353.657, subdivision 2; 353B.11, subdivision 6; 354.05, subdivision 15; 354.46, subdivision 1; 354A.011, subdivi-

sion 26; 354B.01, by adding a subdivision; 356.20, subdivision 4; 356.215, subdivisions 1, 2, 3, 4, 4a, 4b, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1990, sections 136.80; 136.81; 136.82; 136.83; 136.84; 136.85; 136.87; 352.85, subdivision 6; 352.86, subdivision 4; and 353A.09, subdivision 7.

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

S. F. No. 780, A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

The bill was read for the first time.

Pugh moved that S. F. No. 780 and H. F. No. 1502, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1317, A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

The bill was read for the first time.

Begich moved that S. F. No. 1317 and H. F. No. 1433, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 93, A bill for an act relating to natural resources; limiting certain fees charged to towns in connection with town road projects; amending Minnesota Statutes 1990, section 103G.301, by adding a subdivision.

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

S. F. No. 414, A bill for an act relating to alcohol and drug abuse; establishing a community prevention grant program; proposing coding for new law in Minnesota Statutes, chapter 144.

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

S. F. No. 494, A bill for an act relating to crimes; driving while

intoxicated; authorizing counties to create pilot programs to provide intensive probation for repeat violators of the driving while intoxicated laws; increasing the chemical dependency assessment charge for repeat violators of the driving while intoxicated laws; appropriating money; amending Minnesota Statutes 1990, section 169.121, subdivision 5a.

The bill was read for the first time.

Orfield moved that S. F. No. 494 and H. F. No. 593, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 666, A bill for an act relating to agriculture; lowering the fee for licensed lawn service applicators; authorizing a surcharge on sanitizers and disinfectants; abolishing surcharges on pesticides that are less than \$10; changing certain reimbursement figures and deadlines of the agricultural chemical response compensation board; continuing integrated pest management and groundwater research; appropriating money; amending Minnesota Statutes 1990, sections 18E.03, subdivisions 4 and 5; 18E.04, subdivisions 4 and 5; and 18E.05, subdivision 3.

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

S. F. No. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying

duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 21.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kalis moved that the rule therein be suspended and an urgency be declared so that S. F. No. 598 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Kalis moved that the Rules of the House be so far suspended that S. F. No. 598 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 598 was read for the second time.

Kalis moved to amend S. F. No. 598, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:

174.01 [CREATION; POLICY.]

Subdivision 1. [DEPARTMENT CREATED.] In order to provide a balanced transportation system, which system includes aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department shall be the principal agency of the state for development, imple-

mentation, administration, consolidation, and coordination of state transportation policies, plans and programs.

Subd. 2. [TRANSPORTATION GOALS.] The legislature establishes the following goals of the state transportation system:

(1) to provide safe transportation for all users throughout the state;

(2) to provide multimodal transportation that enhances mobility and economic development and that provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters to and from work or school;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourist;

(6) to provide transit services throughout the state to meet the mobility needs of transit users;

(7) to manage the transportation system to ensure the highest levels of productivity;

(8) to provide safe and efficient air transportation in Minnesota;

(9) to maximize the benefits received for each state transportation investment;

(10) to provide funding for transportation that, at a minimum, ensures no further deterioration of the transportation infrastructure;

(11) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state; and

(12) to increase high occupancy vehicle use;

(13) to increase transit use in urban areas by giving highest priority to the transportation modes with the greatest people-moving capacity, to the extent practicable; and

(14) to promote and increase bicycling as an energy-efficient, nonpolluting, and healthful transportation alternative.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan not later than July 1, 1993, and not later than July 1 of each odd-numbered year afterward. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system as enumerated in section 174.01; and

(2) provide for objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that revised plan.

ARTICLE 2

RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad crossing safety and improvement in Minnesota.

Subd. 2. [CONTENT OF STUDY.] The rail-highway grade crossing study must include:

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, the road authority, and the public and cost-sharing guidelines;

(2) sources of funding for grade crossing protection and improvement;

(3) research needs for grade crossing safety; and

(4) recommendations for statutory changes to improve grade crossing safety.

Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature not later than February 1, 1992, on the results of the study.

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain standing and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

Subd. 1a. [VIOLATION.] A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.

Subd. 2. [PENALTY.] (a) A ~~person~~ driver who violates this section subdivision 1 is guilty of a misdemeanor.

(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is guilty of a petty misdemeanor if a motor vehicle owned or leased by the person is operated in violation of subdivision 1. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This

paragraph does not apply if the motor vehicle operator is prosecuted for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license.

Subd. 3. [DRIVER TRAINING.] All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule provide minimum standards of course content relating to operation of vehicles at railroad and highway grade crossings.

Subd. 4. [APPROPRIATION.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to the transportation services fund.

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall complete an inventory of all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a penalty of \$50 for each day that the condition is uncorrected. This penalty may be recovered in the manner provided in section 219.97, subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by order or otherwise, are adequate and appropriate protection for the crossing.

ARTICLE 3
PORT DEVELOPMENT ASSISTANCE

Section 1. [457A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredging material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include any commercial navigation facility that is (1) not on the commercial navigation system, or (2) the responsibility of the United States corps of army engineers or the United States coast guard.

Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 5. [DREDGING.] "Dredging" means excavating harbor sediment or bottom materials, including mobilizing or operating equipment for excavating and transporting dredged material to the placing dredged material in a disposal facility.

Subd. 6. [NAVIGATION SYSTEM.] "Navigation system" means (1) the commercially navigable waters of the Mississippi River, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.

Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

Subdivision 1. [PURPOSE OF PROGRAM.] A port development assistance program is established for the purpose of:

(1) expediting the movement of commodities and passengers on the commercial navigation system;

(2) enhancing the commercial vessel construction and repair industry in Minnesota; and

(3) promoting economic development in and around ports and harbors in the state.

Subd. 2. [COMMISSIONER TO ADMINISTER.] The commissioner shall administer the port development assistance program to advance the purposes of subdivision 1. In administering the program, the commissioner may:

(1) make grants and loans to persons eligible under section 3, subdivision 1, to apply for them; (2) make assistance agreements with recipients of grants and loans; and (3) adopt rules authorized by section 5.

Sec. 3. [457A.03] [PORT ASSISTANCE.]

Subdivision 1. [ELIGIBLE APPLICANTS.] Any person, political subdivision, or port authority, that owns a commercial navigation facility, may apply to the commissioner for assistance under this chapter.

Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2). The commissioner may make grants, or a combination of grants and loans, to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2), and will also enhance economic development in and around the commercial navigation facility being assisted.

Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner may not provide any assistance under this chapter for more than 50 percent of the nonfederal share of any project. Assistance provided under this chapter may not be used to match any other state funds, regardless of source. The commissioner shall not assume continuing funding responsibility for any commercial navigation facility project.

Sec. 4. [457A.04] [ASSISTANCE AGREEMENTS.]

Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner may not provide any assistance to a project under this chapter unless the commissioner has signed an assistance agreement with the recipient of the assistance.

Subd. 2. [COSTS.] An assistance agreement must specify those project costs which may be paid in whole or in part with assistance

from the commissioner. Assistance agreements may provide that only the following costs may be so paid:

(1) final engineering costs on a commercial navigation facility project;

(2) capital improvements to a commercial navigation facility; and
(3) costs of dredging necessary to open a new commercial navigation facility project, and for disposal of dredged material.

The following costs may not be paid with assistance from the commissioner:

(1) the applicant's administrative, insurance, and legal costs;

(2) costs of acquiring permits for a project;

(3) costs of preparing environmental documents, feasibility studies, or project designs;

(4) interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs;

(5) any costs related to the routine maintenance or repair, or operation of a commercial navigation facility;

(6) costs of dredging to maintain an existing channel; and (7) any costs for a project that consists exclusively of dredging.

Subd. 3. [INSURANCE; LIABILITY.] An assistance agreement must require the applicant to:

(1) provide a comprehensive general liability insurance policy, complying with minimum amount prescribed by the commissioner by rule, naming the commissioner and officers, employees, and agents of the department of transportation as additional insureds; and

(2) save and hold the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project being assisted.

Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] An assistance agreement must require an assistance recipient to provide evidence of performance and payment bonds, satisfying all applicable legal requirements for the full amount of any and all construction contracts let by the applicant in connection with the project.

Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any assistance received, in an

amount determined by the commissioner, if the project for which the assistance is provided:

(1) is not completed according to the terms of the assistance agreement, or

(2) is converted, during the period of time specified in the assistance agreement, to a use that is (1) inconsistent with the purposes of this chapter, or (2) inconsistent with the terms of the assistance agreement, or (3) not approved in writing by the commissioner.

Sec. 5. [457A.05] [RULES.]

The commissioner may adopt rules that provide for:

(1) application procedures for assistance under this chapter;

(2) procedures for establishing deadlines for applications, and for notifying potential recipients of those deadlines;

(3) eligibility criteria for projects to be assisted;

(4) information required to be submitted with applications;

(5) contents of assistance agreements;

(6) any other requirement of this chapter; and

(7) any other requirement the commissioner deems necessary for the administration of this chapter.

Sec. 6. [457A.06] [REVOLVING FUND.]

A port development revolving fund is established in the state treasury. The fund consists of (1) all money appropriated to the commissioner for the purposes of this chapter and (2) all money received by the commissioner from repayment of loans made under this chapter.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 4

LOCAL HIGHWAY FINANCE

Section 1. Minnesota Statutes 1990, section 103G.301, is amended by adding a subdivision to read:

Subd. 5a. [TOWN FEES LIMITED.] Notwithstanding this section or any other law, no permit application or field inspection fee charged to a town in connection with the construction or alteration of a town road, bridge, or culvert shall exceed \$100.

Sec. 2. [160.82] [RUSTIC ROADS PROGRAM.]

Subdivision 1. [DESIGNATION.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction as a rustic road. A rustic road must have the characteristics of outstanding natural features or rustic or scenic beauty; a daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.

Subd. 2. [LOCAL AUTHORITY.] The road authority has the same authority over rustic roads as over other highways and roads under its jurisdiction. The road authority may designate the type and character of vehicles that may be operated on the rustic road; designate a rustic road or portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.

Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.

Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road, except that the commissioner shall pay from the transportation services fund the costs of publishing a map of rustic roads within the state and installing and maintaining signs designating rustic roads.

Sec. 3. [160.83] [STREETS AND HIGHWAYS WITHIN PARKS.]

Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of or abutting a city, county, regional, or state park.

Subd. 2. [RESTRICTIONS.] A road authority may not make any changes in the width, grade, or alignment of a park road, other than a county state-aid highway or municipal state-aid street, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road. A road authority may not make any changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required by the minimum state-aid standard applicable to that road.

Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, if the design is adopted to conform to this section, the design complies with the minimum state-aid standards applicable to the road, and the design is not grossly negligent. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a park road.

Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway within its boundaries. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.

Subd. 3. [LOCAL COST SHARING FOR TRUNK HIGHWAY IMPROVEMENTS.] The commissioner may accept gifts, contributions, or grants from a local government body for trunk highway construction, reconstruction, improvement, or maintenance of trunk highways within its boundaries. Money accepted by the commissioner under this subdivision must not adversely affect the sched-

uling of other trunk highway projects that are not funded in whole or in part by local contributions.

Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance required for a county state-aid highway that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park agency.

Sec. 6. [162.021] [NATURAL PRESERVATION ROUTES.]

Subdivision 1. [NATURAL PRESERVATION ROUTES ESTABLISHED.] The commissioner shall create within the county state-aid highway system a system of natural preservation routes. The commissioner shall provide for criteria for inclusion in the system and for the adoption of standards for the design of routes on the system.

Subd. 2. [CRITERIA.] The criteria for inclusion on the natural preservation route system must provide for the inclusion in the system of those county state-aid highways that possess unique scenic, environmental, aesthetic, recreational, or historic characteristics that would be harmed by construction or reconstruction using standards applicable to county state-aid highways that are not part of the natural preservation route system.

Subd. 3. [STANDARDS.] The design standards adopted by the commissioner for natural preservation routes must provide for the preservation of the characteristics described in subdivision 2, to the extent consistent with public safety. The standards must provide for minimum width of vehicle recovery areas, minimum slopes, and

minimum ditch widths, consistent with anticipated speed and volume of traffic on the highway.

Subd. 4. [DESIGNATION.] The commissioner may designate a county state-aid highway as a natural preservation route only on petition of the governing body of the county having jurisdiction over the road. On receiving a petition for designation the commissioner shall appoint an advisory committee consisting of seven members. An advisory committee must include at least one representative of the department of natural resources or the United States department of agriculture forest service, one county commissioner, one county highway engineer, and one representative of a recognized environmental organization. The advisory committee shall consider the petition for designation and make a recommendation to the commissioner. Following receipt of the committee's recommendation the commissioner may designate the highway as a natural preservation route.

Subd. 5. [SIGNS.] The county having jurisdiction over a natural preservation route must post signs at each entry point to the route informing the public that the highway is a natural preservation route. Signs erected under this subdivision are prima facie evidence of adequate notice to the public that the highway has been designated a natural preservation route.

Subd. 6. [LIABILITY.] When a county state-aid highway has been designated a natural preservation route, constructed in accordance with the standards established by the commissioner under subdivision 1, and signs have been erected as provided in subdivision 5, the state and the county having jurisdiction over the highway, and their officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the standards for its design, if the design standards comply with the standards established by the commissioner under subdivision 1. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a natural preservation route.

Sec. 7. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a

written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance requested for a municipal state-aid street that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 8. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [VARIANCE.] The commissioner may adopt rules to provide a procedure to grant variances from regulations adopted under subdivision 1, and contained in Code of Federal Regulations, title 49, part 180. The variances must apply only to cargo tanks with a capacity of 3,000 gallons or less that transport gasoline in intrastate commerce in Minnesota and were first used in transportation before August 1, 1991. The commissioner shall establish inspection, testing, and registration requirements to ensure the safety of cargo tanks operated under a variance granted under this subdivision.

Sec. 9. [BICYCLE FACILITIES.]

The commissioner of transportation shall seek federal funding under United States Code, title 23, section 217, subsection (b), for the establishment of facilities for bicycle transportation.

ARTICLE 5

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required by law to be deposited in the fund, and other money made available to the fund by law.

Subd. 2. [USES OF FUND.] Money in the transportation services fund may only be expended by appropriation for

(1) activities of the commissioner of public safety relating to (i) driver licensing, (ii) motor vehicle registration and licensing, (iii) the accident reporting system; and (iv) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation; and

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation.

Sec. 2. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, and. Of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.

Sec. 3. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ 0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. \$275,000 of this amount An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 4. Minnesota Statutes 1990, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law viola-

tions, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited as follows:

(1) In the fiscal year ending June 30, 1991, the first \$205,000 in money received by the state treasurer after the effective date of this section must be credited to the transportation services fund, and the remainder in the fiscal year credited to the trunk highway fund.

(2) In fiscal year 1992, the first \$145,000 in money received by the state treasurer in the fiscal year must be credited to the transportation services fund, and the remainder credited to the trunk highway fund.

(3) In fiscal years 1993 and subsequent years, the entire amount received by the state treasurer must be credited to the trunk highway fund.

If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 5. [APPROPRIATION.]

Subdivision 1. [GENERAL APPROPRIATION.] \$350,000 is ap-

appropriated from the transportation services fund as provided in subdivision 2.

	<u>1992</u>	<u>1993</u>
<u>Subd. 2. Department of Transportation</u>		
<u>(a) Conduct railroad crossing</u>	<u>\$ 60,000</u>	<u>\$ -0-</u>
<u>protection study</u>		
<u>(b) Develop grade crossing</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<u>education program</u>		
<u>Subd. 3. Transportation Study Board</u>	<u>\$125,000</u>	<u>\$125,000</u>

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. Sections 1 to 3 and 5 are effective July 1, 1991.

ARTICLE 6

METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [161.1246] [HIGHWAY RECONSTRUCTION; LIGHT RAIL TRANSIT.]

The commissioner of transportation shall ensure that design plans for reconstruction of marked interstate highways I-94 and I-35W provide for light rail transit facilities as part of the reconstruction. The design for reconstruction of interstate highway I-94 must include design for a light rail transit facility, as described in the midway corridor draft environmental impact statement, from the Western Avenue intersection near downtown St. Paul to approximately Fairview Avenue. The design for reconstruction of interstate highway I-35W must include design for a light rail transit facility from the city of Minneapolis to approximately county road 42 in the city of Burnsville. The commissioner shall consult with regional railroad authorities where the highway reconstruction will occur to ensure an acceptable and feasible light rail transit facility design is included in the highway reconstruction.

Sec. 2. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in this section, sections 473.399 to 473.3996, and sections 14 and 15 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.

Sec. 3. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members, one from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 11;
- (5) district E, consisting of council districts 8 and 10;
- (6) district F, consisting of council districts 9 and 13;
- (7) district G, consisting of council districts 12 and 14; and
- (8) district H, consisting of council districts 15 and 16.

At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or towns. Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the

governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 4. Minnesota Statutes 1990, section 473.399, is amended to read:

473.399 [LIGHT RAIL TRANSIT; REGIONAL PLAN.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan, as provided in this section, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid duplication of effort.

(b) The regional plan required by this section must be adopted by the board before any regional railroad authority may begin construction of light rail transit facilities and before any authority is eligible for state financial assistance for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority or other developer of light rail transit in the metropolitan area shall act in conformity with the plan. Each authority or proposer shall prepare or amend its comprehensive plan and preliminary and final design plans as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

(d) The board may periodically review the plan and may make modifications or amendments to the plan.

Subd. 2. [DEVELOPMENT AND FINANCIAL PLAN.] (a) The board shall adopt a regional development and financial plan for light rail transit composed of the following elements:

- (1) a staged development plan of light rail transit corridors;

(2) a statement of needs, objectives, and priorities for capital development and service for a prospective ten-year period, considering service needs, ridership projections, and other relevant factors for the various segments of the system, along with a statement of the fiscal implications of these objectives and priorities, and policies and recommendations for long-term capital financing;

(3) a capital investment component for a five-year period following the commencement of construction of facilities, with policies and recommendations for ownership of facilities and for financing capital and operating costs.

(b) For any segments of rail line that may be constructed below the surface elevation, the plan must estimate the additional capital costs, debt service, and subsidy level that are attributable to the below grade construction. The plan must include a method of financing the operation of light rail transit that depends on property tax revenue for no more than 35 percent of the operations cost.

(c) The board shall prepare the initial plan in consultation with its light rail transit advisory committee. The board shall submit the plan and amendments to the plan to the metropolitan council for review and approval or disapproval, for conformity with the council's transportation plan. The council has 90 days to complete its review.

Subd. 3. [COORDINATION PLAN.] (a) The board shall adopt a regional coordination plan for light rail transit. The plan must include:

(1) a method for organizing and coordinating acquisition, construction, ownership, and operation of light rail transit facilities, including in particular, coordination of vehicle specifications, provisions for a single light rail transit operator for the system, and the organization and coordination method required if a turn-key approach to facility acquisition is used by a regional railroad authority;

(2) specifications and standards to ensure joint or coordinated procurement of rights-of-way, track, vehicles, electrification, communications and ticketing facilities, yards and shops, stations, and other facilities that must be or should be operated on a systemwide basis;

(3) systemwide operating and performance specifications and standards;

(4) bus and park-and-ride coordination policies, standards, and plans to assure maximum use of light rail transit and the widest possible access to light rail transit in both urban and suburban areas;

(5) a method for ensuring ongoing coordination of development, design, and operational plans for light rail facilities;

(6) provision for the operation of light rail transit by the metropolitan transit commission; and

(7) other matters that the board deems prudent and necessary to ensure that light rail transit facilities are acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities.

(b) The joint light rail transit advisory committee shall prepare and recommend the initial plan to the board. The board shall review the plan within 90 days and either adopt it or disapprove it and return it to the committee with the modifications that the board recommends before adoption of the plan. The committee shall take into consideration the board's recommendations and resubmit the plan to the board for review and adoption or disapproval.

(c) The metropolitan council shall review and comment on the plan and amendments to the plan.

Sec. 5. Minnesota Statutes 1990, section 473.3991, subdivision 1, is amended to read:

Subdivision 1. [CREATION; PURPOSE.] The transit board shall establish a joint light rail transit advisory committee, to assist the board in planning light rail transit facilities and in coordinating the light rail transit activities of the county regional railroad authorities and the transit commission. The committee shall perform the duties specified in section 473.399 and Laws 1989, chapter 339, section 20, ~~and shall otherwise assist the board upon request of the board.~~

Sec. 6. Minnesota Statutes 1990, section 473.3991, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION.] The committee ceases to exist on the day following final enactment.

Sec. 7. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design plan" means a light rail transit plan that ~~identifies~~ includes:

(1) preliminary plans for the physical design of facilities, at approximately the ten percent engineering level, including location,

length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; and funding for final design, construction, and operation; and an implementation method.

Sec. 8. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "Preliminary engineering plan" means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 9. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design and preliminary engineering plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 10. Minnesota Statutes 1990, section 473.3994, is amended to read:

473.3994 [LIGHT RAIL TRANSIT; DESIGN FACILITY PLANS.]

Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.

Subd. 2. [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] Before preparing final design plans for a light rail transit facility, the A political subdivision proposing the that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

Subd. 3. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design or preliminary engineering plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements

about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the proposer shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility ~~to the governing board of the county in which the route is proposed to be located for approval or disapproval.~~ The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter 398A must~~ the proposer of the facility shall submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. ~~The council must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 11. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS; REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the proposer shall submit preliminary design and preliminary engineering plans to the regional transit board for review. The board shall review the preliminary design plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, the adequacy of the plans for operation and maintenance of facilities, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the council's transportation policy plan and the board's regional light rail transit plan prepared under section 473.399. The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan. The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same procedure and schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.

Sec. 12. [473.3997] [LIGHT RAIL TRANSIT JOINT POWERS BOARD.]

A light rail transit joint powers board shall be formed under section 471.59 to implement light rail transit final design and construction of the corridors funded solely with federal and county funds. The board shall consist of a voting member from the metropolitan transit commission, the department of transportation, the regional transit board, the metropolitan council, and the regional rail authorities of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties, plus an additional voting member from a county regional rail authority with a corridor in which final design has begun.

Sec. 13. [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

(a) By July 1, 1992, the regional transit board, the regional rail authorities, and the commissioner of transportation shall prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted. The board, the rail authorities, and the commissioner must consult with the council in preparing the application. The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.

(b) Until the application described in paragraph (a) is submitted, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

Sec. 14. [LIGHT RAIL FUNDING.]

If funds are appropriated by the legislature for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 15.

Sec. 15. [CENTRAL CORRIDOR FACILITIES.]

Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.

Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction

if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.

Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.

Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.

Sec. 16. [APPLICATION.]

Sections 1 to 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [EFFECTIVE DATE.]

Sections 5, 6, and 12 are effective July 1, 1991.

ARTICLE 7

TRANSPORTATION STUDIES

Section 1. [161.53] [RESEARCH ACTIVITIES.]

The commissioner may set aside for transportation research in each fiscal year an amount up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commission shall expend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research to improve the development of transportation policies with respect to energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) developing transportation education and outreach activities. Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall expend 0.1 percent, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.

Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature the feasibility and desirability of establishing a comprehensive system of multilane divided highways connecting all regional centers with the Twin Cities metropolitan area. The study must include:

(1) existing highways on corridors between regional centers and the metropolitan area;

(2) improvements to bring all highways in these corridors to expressway standards;

(3) the cost of these improvements;

(4) the role of these improvements in the department of transportation's trunk highway programming priorities; and

(5) a schedule for completing these improvements.

The commissioner shall complete the study and submit the report not later than January 15, 1992.

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:

(1) five members of the senate, with not more than three of the same political party, appointed by the senate committee on committees; and

(2) five members of the house of representatives, with not more than three of the same political party, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Subd. 5. [REPEALER.] This section is repealed, effective June 30, 1993.

Sec. 4. [3.863] [DUTIES.]

The transportation study board shall perform the following duties:

(1) review and participate with the house and senate transportation committees in developing recommendations for state transportation policies;

(2) monitor state transportation programs, expenditures, and activities;

(3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and

(4) propose special studies to the legislature and conduct studies at the direction of the legislature.

Sec. 5. [3.864] [SPECIAL STUDIES.]

Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 7 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.

Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, iden-

tify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations:

(1) to the commissioner of transportation with respect to changes in the department's policies and procedures; and

(2) to the legislature with respect to changes in law governing those policies and procedures.

Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:

(1) development of a state jurisdiction plan, which must include:

(i) criteria for determining the functional class of each street and highway in the state;

(ii) identification of the appropriate jurisdiction of each street and highway, based on functional class; and

(iii) criteria for determining when jurisdiction should be based on factors other than functional class;

(2) recommendations for implementing the jurisdiction plan; and

(3) recommendations for changes in law to facilitate future jurisdiction transfers.

The board shall report to the legislature and the commissioner of transportation on the results of the study.

Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on any preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.

Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study all unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but need not be limited to:

(1) formulas for distributing money in these funds;

(2) methods of measuring and quantifying factors used in those formulas;

(3) the role of screening boards in this distribution;

(4) methods of mitigating reductions in state aid that might result to one or more counties from various changes in state aid formulas and distribution procedures; and

(5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.

Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the appropriate role of local units of government in assisting in the cost of projects to construct or reconstruct trunk highways. The study must include a recommendation of guidelines to govern the extent of that participation and the types of projects for which participation is feasible and desirable.

Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study the feasibility and desirability of increasing incentives for the use of high-occupancy vehicles such as carpools, vanpools, and transit. The board shall study and evaluate, among other things, each of the following incentives:

(1) tax incentives to employees;

(2) tax incentives and other incentives to employers;

(3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;

(4) road pricing on freeways and other commuting routes;

(5) staggered work hours;

(6) expanded availability and reduced cost of regular-route transit; and

(7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.

Subd. 8. [LOCAL FINANCE STUDY.] The board shall study and report to the legislature by February 15, 1992, the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.

ARTICLE 8
METROPOLITAN TRANSIT SERVICE

Section 1. Minnesota Statutes 1990, section 473.375, subdivision 15, is amended to read:

Subd. 15. [PERFORMANCE STANDARDS.] The board may establish performance standards for recipients of financial assistance, except that performance standards for recipients of financial assistance under section 473.388 shall be established after consultation with such recipients.

Sec. 2. Minnesota Statutes 1990, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. The services and systems management component of the board's plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council. The components of the implementation plan that are applicable to recipients of financial assistance under section 473.388 shall be prepared after consultation with such recipients.

Sec. 3. Minnesota Statutes 1990, section 473.388, is amended to read:

473.388 [REPLACEMENT OPT-OUT TRANSIT SERVICE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] ~~A replacement~~ An opt-out transit service program is established to continue the metropolitan transit service demonstration program established in Minnesota Statutes 1982, section 174.265, as provided in this section.

Subd. 2. [REPLACEMENT OPT-OUT TRANSIT SERVICE; ELIGIBILITY.] The transit board ~~may~~ shall provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;

(b) is not served by the transit commission or is served only with transit commission bus routes which begin or end within the applying city or town or combination thereof; and

(c) has fewer than four scheduled runs of metropolitan transit commission bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The board may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town,

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984,

(ii) had submitted an application for assistance under that section by July 1, 1984, or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it has notified the board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.

Subd. 3. [APPLICATION FOR ASSISTANCE.] An application for assistance under this section must:

(a) describe the existing service provided to the applicant by the transit commission, including the estimated number of passengers carried and the routes, schedules, and fares;

(b) describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and

(c) indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement opt-out services, and the amount of assistance requested for the replacement opt-out services.

Subd. 4. [FINANCIAL ASSISTANCE.] The board ~~may~~ shall grant the requested financial assistance if it determines that the proposed service is ~~consistent with the approved implementation plan and is intended to replace or increase the service to the applying city or town or combination thereof by the transit commission and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service, if any, and that the assistance will be used for transit-related purposes.~~

The amount of assistance which the board ~~may~~ shall provide under this section ~~may not exceed the sum of:~~

(a) is the portion of the available local transit funds which the applicant proposes to use to subsidize the costs of the proposed service; and, including, but not limited to, costs of operations, personnel, administration, equipment, and property.

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of financial assistance to the transit commission bears to the total amount of taxes collected by the board under section 473.446. The board shall pay the amount to be provided to the recipient from the assistance the board would otherwise pay to the transit commission.

The board shall also provide an amount equal to one-sixth of the cost of the proposed service, recalculated annually, for the purpose of budget reserve. The budget reserve to be retained by recipients of financial assistance under this section may not exceed one-sixth of the current year cost of providing service. A budget reserve may not be budgeted or retained by a recipient under this section during any budget year in which the cost of providing service by that recipient equals or exceeds the total amount of available local transit funds.

The board shall disburse assistance to the recipient in advance, by monthly payments on or before the first day of each month of the year for which assistance is requested by the recipient.

Assistance provided by the board to the recipient must be spent for transit-related purposes. Assistance that is not spent in the budget year in which it is provided must be deposited with the board, who will place emphasis on the expenditure of these funds for suburban transit service.

For purposes of this section "available local transit funds" means 90 percent of the tax revenues which would accrue to the board from the ~~tax~~ it levies certified tax levy under section 473.446 in the applicant city or town or combination thereof, including the revenues which would accrue from the homestead and agricultural credit aid and disparity reduction aid.

Subd. 5. [OTHER ASSISTANCE.] A city or town receiving assistance under this section may also receive assistance from the board under section 473.384. In applying for assistance under that section an applicant must describe the portion of the available local transit funds which are not obligated to subsidize replacement service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share.

Subd. 6. [ASSUMPTION OF PROGRAM.] The board shall certify to the commissioner of transportation when it ~~has adopted an approved interim implementation plan~~ and is ready to assume responsibility for the metropolitan transit service demonstration program administered by the commissioner under Minnesota Statutes 1982, section 174.265. On receipt of the certification the commissioner shall make no further contracts under that program and shall assign all contracts then in effect under that program to the board, and the contracts at that time become obligations of the board.

Subd. 7. [BUDGET.] A recipient of assistance under this section shall prepare an annual budget and, after holding a public hearing on the budget, shall submit the budget to the board for review. The board shall review and comment on the consistency of the budget with its implementation plan.

Sec. 4. [STUDIES REQUIRED.]

(a) The metropolitan council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the costs of planning, administering and managing transit services in the metropolitan area, including the costs of coordinating and integrating services provided by different transit operators or authorities. The council, in consultation with the board, must direct its staff to examine whether the percentage of property tax revenues raised in communities participating in the program under Minnesota Statutes, section 473.388, which accrues to the board from the tax it levies under Minnesota Statutes, section 473.446, is adequate to finance those communities' prorated share of these costs. The council, in consultation with the board, must make a recommendation to the legislature on the appropriate percentage of property tax revenues to be used to finance these costs.

(b) The council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the interaction between the funding mechanisms of the program under Minnesota Statutes, section 473.388, and the reductions of levied taxes made pursuant to Minnesota Statutes, section 473.446, subdivision 1. The council, in consultation with the board, must direct its staff to study the interaction of these provisions, including the effect of the interaction on the financing of transit services in the metropolitan area.

(c) The council must report to the legislature on the results of these studies on or before February 15, 1992.

Sec. 5. [APPLICATION.]

Sections 1 to 4 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 9 FUEL TAX AGREEMENTS

Section 1. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, ~~the commissioner may~~ issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15.

Sec. 2. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17~~ 296.171, subdivision ~~9a~~ 6, is delinquent in either the filing or payment of ~~paying~~ the international fuel tax agreement reports for more than 30 days, or ~~the payment of paying~~ the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 3. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when

operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.

Subd. 4. [EXCHANGES OF INFORMATION.] The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 5. [BASE STATE FUEL COMPACT.] The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.

Subd. 7. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports

for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.

Subd. 9. [FUEL COMPACT FEES.] License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the trunk highway fund. The commissioner shall charge the fuel license fee of \$30 established under section 296.17, subdivision 10, in annual installments of \$15 and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Subd. 10. [FUEL DECAL FEES.] The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the trunk highway fund.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 296.17, subdivision 9a, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; authorizing variance from rules governing certain cargo tanks; directing commissioner of transportation to seek federal funds for bicycle facilities; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; providing for light rail transit; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of I-94 and I-35W; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; providing for the opt-out transit service program; providing for fuel tax agree-

ments; providing for fees; appropriating money; amending Minnesota Statutes 1990, sections 103G.301, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 168.187, subdivisions 17 and 26; 169.26; 171.13, subdivision 1, and by adding a subdivision; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.033, by adding a subdivision; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.375, subdivision 15; 473.377, subdivision 1; 473.388; 473.399; 473.3991, subdivision 1, and by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 296; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a."

The motion prevailed and the amendment was adopted.

Bauerly moved to amend S. F. No. 598, as amended, as follows:

Page 13, after line 24, insert:

"Sec. 4. Minnesota Statutes 1990, section 161.14, is amended by adding a subdivision to read:

Subd. 26. [ELMER L. ANDERSEN HIGHWAY.] That portion of constitutional route 18 known as trunk highway No. 169, beginning at Princeton and extending south six miles, is named and designated the "Elmer L. Andersen scenic highway." The commissioner of transportation may adopt a suitable marking design to mark this highway, may erect the appropriate signs, and shall ensure preservation of the scenic beauty of the designated highway."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O'Connor; Farrell; Hausman; Valento; Lieder; Waltman; Boo; Olsen, S.; Johnson, A.; McEachern; Abrams; Rice; Simoneau; Morrison; Seaberg; Knickerbocker; Trimble; Anderson, I.; Pellow; Lynch; Hanson; Gutknecht; Begich; Johnson, R.; Mariani; Nelson, K., and Kahn moved to amend S. F. No. 598, as amended, as follows:

Page 46, after line 29, insert:

"ARTICLE 10
PARKING TICKETS

Section 1. [168.135] [RENEWAL APPLICATIONS; DELINQUENT PARKING CITATIONS.]

Subdivision 1. [APPLICATION; NOTICE.] When a person applies to renew the registration for a motor vehicle, applies for duplicate, special, or personalized license plates, or applies for a change of classification, the registrar or deputy registrar shall check the computerized records system established under subdivision 2 to determine whether the applicant has been charged with a violation of a law or ordinance regulating the parking of vehicles for which the records collected under section 169.95 indicate a delinquent citation and fine. If a delinquent citation and fine is indicated, the registrar or deputy registrar shall notify the applicant as to the court to which payment of the fine is due and the amount of each fine.

Subd. 2. [COMPUTERIZED RECORDS SYSTEM; ACCESS.] (a) The registrar shall install, administer, and maintain in the department of public safety an efficient, computerized data base records system dedicated solely as the repository for delinquent parking citation and fine reports. The registrar shall provide and specify equipment and interconnection specifications, programming requirements, and training materials needed to provide courts and deputy registrars access to the department's dedicated computer data base of records on delinquent parking citations and fines.

(b) The system must be designed to allow each court to report and update by electronic communication directly with the system's computer data base those delinquent parking citations and fines that remain owing to the court. The system must be designed to allow access by a deputy registrar to the system upon transmittal of the access code of the deputy registrar, as assigned by the registrar.

(c) On complying with these specifications, providing the requisite data base accessing equipment and programming, and providing the specified interconnection equipment, the registrar shall allow each deputy registrar direct computer inquiry of these records. The system must allow electronic and toll-free telephonic access by deputy registrars as necessary to perform their vehicle registration responsibilities under subdivision 3. The registrar shall not assess a deputy registrar transaction or user costs, fees, or charges for inquiries required or necessary to discharge the duties of a deputy registrar under this section.

(d) Access must include the records required by this section and exclude only those records restricted by governing state or federal data privacy laws.

Subd. 3. [DEPUTY REGISTRARS' RESPONSIBILITIES.] (a) On receiving an application described in subdivision 1, the registrar or a deputy registrar shall access the computerized records system to discover if the applicant has a delinquent parking citation and fine. On gaining access to the system, the deputy registrar shall identify and communicate the license plate number for which the information is requested.

(b) Neither the registrar nor a deputy registrar may receive or process an application described in subdivision 1 if the response from the records system indicates that there is a delinquent citation and fine arising from a violation of a law or ordinance regulating the parking of vehicles and involving the vehicle for which the license plate was issued. A deputy registrar may rely conclusively upon the response of the records system to the inquiry.

(c) When a delinquent parking citation and fine has been paid or otherwise disposed of to the court's satisfaction, the court shall:

(1) issue the violator a receipt of payment or statement certifying that the delinquent fine has been paid or otherwise disposed of to the court's satisfaction; and

(2) update its listing of outstanding delinquent parking citations and fines to be recorded in the records system established in subdivision 2.

(d) An applicant may register the vehicle after paying or otherwise satisfactorily disposing of all delinquent parking citations and fines as follows:

(1) by reapplying after paying the outstanding parking fines to the appropriate courts and after each court's file of delinquent citations and fines have been recorded and updated in the computerized records system;

(2) by presenting court receipts or statements certifying that all delinquent fines have been paid or otherwise disposed of to the satisfaction of all applicable courts; or

(3) by paying all outstanding delinquent parking fines, as recorded in the computerized records system established in subdivision 2, by satisfactory payment to the deputy registrar, but only if the particular deputy registrar elects to provide this service. A deputy registrar electing to accept payments for fines under this

clause shall transmit all payments to the applicable courts without delay.

A deputy registrar may rely conclusively upon the receipts or certified statements issued under clause (2) and purporting to be that of the court named in the receipt or statement that the fines owed to that court have been paid or otherwise satisfied.

Subd. 4. [NOTICE AND REPORT BY COURT.] At least 15 days before any information on delinquent parking citations and fines is transmitted to the department's computerized records system, the court shall notify by mail to the last known address of the registered owner of the motor vehicle involved in the parking violation, of the nature of the violation, the amount of the fine, where the fine should be paid, and the resulting consequences concerning vehicle registration renewal if the fine is not paid. If the fine is not paid or otherwise disposed of to the satisfaction of the court or if a court appearance has not been scheduled, the court shall transmit the information to the department's computerized records system. The court may impose costs and assess penalties to the defendant to recover any expense incurred by the court in administering the notice and reporting requirements of this section. The costs and penalties are payable to the court.

Sec. 2. [168.331] [PARKING VIOLATION NOTIFICATION PROGRAM; FEE.]

An additional fee of \$1 is imposed on all violations of laws and ordinances regulating the parking of motor vehicles. Courts, violations bureaus, or other entities that collect fines for parking violations shall transmit monthly the proceeds of the fee to the registrar. The registrar shall deposit the proceeds in the general fund.

Sec. 3. [169.042] [PARKING VIOLATION WARRANTS PROHIBITED.]

A court shall not issue a warrant for the arrest of a person for delinquent parking citations for vehicles registered in Minnesota.

Sec. 4. Minnesota Statutes 1990, section 169.91, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO APPEAR.] When a citation is issued for a parking violation or when a person is arrested for any violation of any law or ordinance relating to motor vehicles, their registration or their operation, or the use of the highways, the issuing or arresting officer shall prepare a written notice to appear in court. This place must be before a judge within the county in which the offense charged is alleged to have been committed who has jurisdiction and

is nearest or most accessible with reference to the place of arrest or parking violation. If the offense is a petty misdemeanor, the notice to appear must include a statement that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control. If the offense is for a violation of a law or ordinance regulating the parking of vehicles, a subsequent notice to appear must be mailed to the registered owner of the vehicle.

Sec. 5. Minnesota Statutes 1990, section 169.95, is amended to read:

169.95 [COURTS TO KEEP SEPARATE COURT RECORDS AND REPORTS OF VIOLATIONS AND DELINQUENT FINES.]

Subdivision 1. [RECORDS.] Every court administrator shall keep a full record of every case in which a person is charged with a violation of any law or ordinance, regulating the operation or parking of vehicles on highways.

Subd. 2. [REPORTS OF TRAFFIC VIOLATIONS.] Within ten days after the conviction or forfeiture of bail of a person upon a charge of violating any provisions of any law or ordinance, regulating the operation of vehicles on highways, except for parking violations, the court administrator of the court in which the conviction was had or bail was forfeited, shall immediately forward to the department of public safety an abstract of the record of the court covering the case in which the person was convicted or forfeited bail. The abstract must be certified by the person required to prepare it to be true and correct.

The abstract must be made upon a form furnished by the department of public safety, and shall include the name and address of the party charged, the driver's license number of the person involved, the nature of the offense, the date of hearing, the plea, the judgment, or whether bail was forfeited, and the amount of the fine or forfeiture, as the case may be.

Every court shall also forward a report to the department of public safety reporting the conviction of any person of manslaughter or other felony in the commission of which a vehicle was used.

Subd. 3. [REPORTS OF DELINQUENT FINES.] Every court administrator shall report delinquent parking citations and fines to the department of public safety's computerized records system established under section 1. The court administrator shall report within 30 days after the date that the payment of a fine is due. The report must be made to the commissioner of public safety as prescribed in section 1 and must contain the following information:

(1) the license plate number of the motor vehicle involved in the violation;

(2) the number of delinquent parking citations and fines;

(3) the amount of the fine for each citation; and

(4) the date the parking citation was issued.

Subd. 4. [JUDICIAL COMPLIANCE.] The failure, refusal, or neglect of any judicial officer to comply with any of the requirements of this section shall constitute misconduct in the office and shall be grounds for removal.

Sec. 6. Minnesota Statutes 1990, section 169.99, subdivision 1, is amended to read:

Subdivision 1. [EFFECT; FORM; CONTENT.] (a) Except as provided in subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. Except as provided in paragraph (b), the uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the department of public safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper;

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the traffic violations bureau, and a plea of guilty and waiver, printed on off-white tag stock.

(b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control.

(c) The copy of the uniform traffic ticket provided to the violator of a law or ordinance regulating the parking of vehicles must include a notice specifying the consequences regarding vehicle registration that may result if the violator fails to respond to the citation.

Sec. 7. [APPROPRIATION.]

\$447,000 the first year of the biennium and \$282,000 the second year of the biennium is appropriated from the general fund to the commissioner of public safety for the purposes of sections 1 to 6. This appropriation is available until spent.

The complement of the department of public safety is increased by three positions.

Sec. 8. [EFFECTIVE DATE.]

Section 1, subdivision 2, and section 7 are effective August 1, 1991. The remaining provisions of this article are effective January 1, 1993, for parking citations outstanding and fines delinquent on and after that date.

Amend the title as follows:

Page 1, line 30, after the first semicolon insert "establishing system for the notification, recording, and collection of delinquent fines for parking violations; prohibiting registration of vehicle of owner who has not paid the fine for a parking violation; prohibiting issuance of warrants for parking violations;"

Page 1, line 34, after the second semicolon, insert "169.91, subdivision 3; 169.95; and 169.99, subdivision 1;"

Page 1, line 45, after the fourth semicolon insert "168; 169;"

The motion prevailed and the amendment was adopted.

Anderson, I., moved to amend S. F. No. 598, as amended, as follows:

Page 46, after line 29, insert:

"ARTICLE 10

SPECIAL TRANSPORTATION SERVICE

Section 1. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] "Special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis. Special transportation service does not include a volunteer driver using a private passenger vehicle that belongs to the volunteer.

Sec. 2. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of 26,001 or more pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; and

(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

The holder of a class C license may also tow vehicles under 10,000 pounds gross vehicle weight.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 3. Minnesota Statutes 1990, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] (a) Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 4. Minnesota Statutes 1990, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a \$2.50 examination fee at the place of application.

Sec. 5. [171.323] [SPECIAL TRANSPORTATION SERVICE DRIVERS.]

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service within the seven-county metropolitan area as defined in section 473.121, subdivision 2, without having a

valid class A, class B, or class CC driver's license with a special transportation service vehicle endorsement.

Subd. 2. [QUALIFICATIONS; RULES.] The commissioner of public safety shall prescribe rules governing the procedures for issuance of a special transportation service vehicle permit and endorsement, which include the following provisions:

(1) Procedures for issuance of a special transportation service permit valid for not more than ninety (90) days upon proof that the applicant is not disqualified based on prior criminal convictions as described in this section.

(2) Procedures to issue a special transportation service vehicle endorsement if, within the permit period, the applicant provides proof of the completion of the training required by the commissioner of transportation under section 174.30.

(3) Procedures for withdrawal of an endorsement after issuance.

(4) Procedures for applicants to challenge the withdrawal or denial of an endorsement; and

(5) Procedures for issuance of a certificate of endorsement for a nonresident driving special transportation service vehicles in Minnesota.

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct a records check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Subd. 4. [DISQUALIFICATION FOR PRIOR CONVICTION.] No endorsement shall be authorized for any person unless the applicant or licensee:

(1) is not disqualified to receive a school bus endorsement due to criminal history;

(2) is not disqualified as a special transportation service driver under the rules of the commissioner of transportation promulgated under to section 174.30; and

(3) has a criminal record clear of conviction of offenses relating to vulnerable adult abuse under section 626.557.

Sec. 6. [ADVISORY COUNCIL ON PARATRANSIT.]

Subdivision 1. [CREATION; MEMBERSHIP.] The regional transit board shall establish a paratransit advisory council under section 15.059, consisting of the following members:

(1) two members representing the regional transit board, appointed by the chair of the board;

(2) two members representing the department of human services, appointed by the commissioner of human services;

(3) one member representing the department of transportation, appointed by the commissioner of transportation;

(4) one member representing the metropolitan transit commission, appointed by the commission's chair;

(5) one member representing the council on disability, appointed by the council;

(6) one member representing nonprofit providers, appointed by the commissioner of human services;

(7) one member representing for-profit providers, appointed by the commissioner of human services;

(8) one member representing the senior community, appointed by the commissioner of human services;

(9) one member representing the metropolitan area, appointed by the chair of the metropolitan council; and

(10) two members representing users of paratransit, appointed by the chair of the board.

The council shall expire December 31, 1991.

Subd. 2. [ADMINISTRATION.] The regional transit board and the department of human services shall provide staff and administrative services for the council. The organizations whose representatives are listed in subdivision 1, clauses (4) to (8), shall provide

information, staff, and technical assistance for the council as needed.

Subd. 3. [STUDIES.] The council shall conduct a feasibility study of the consolidation and coordination of the existing metro mobility service trips with the existing department of human services medical assistance service trips in the metropolitan area. The council shall seek consultation from affected persons and organizations not represented by members appointed under subdivision 1, including but not limited to, day training and habilitation centers, nursing facilities, and intermediate care facilities for the mentally retarded.

Subd. 4. [REPORT.] The commissioner of human services and the chair of the regional transit board shall jointly submit their consolidation and coordination feasibility report and recommendations to the legislature and the governor not later than December 31, 1991.

Subd. 5. [DEFINITION.] For the purposes of this section, "metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Sec. 7. [APPLICATION.]

Section 6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct,

and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 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 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	O'Connor	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Blatz	Hasskamp	Long	Ozment	Thompson
Bodahl	Haukoos	Lourey	Pauly	Tompkins
Boo	Hausman	Lynch	Pellow	Tunheim
Brown	Heir	Macklin	Pelowski	Uphus
Carlson	Henry	Mariani	Peterson	Valento
Carruthers	Hugoson	Marsh	Pugh	Vellenga
Clark	Jacobs	McEachern	Reding	Wagenius
Cooper	Janezich	McGuire	Rest	Waltman
Dauner	Jaros	McPherson	Rice	Weaver
Davids	Jefferson	Milbert	Rodosovich	Wejcman
Dawkins	Jennings	Morrison	Rukavina	Welle
Dempsey	Johnson, A.	Munger	Runbeck	Wenzel
Dille	Johnson, R.	Murphy	Sarna	Winter
Dorn	Johnson, V.	Nelson, K.	Scheid	Spk. Vanasek
Erhardt	Kahn	Nelson, S.	Schreiber	
Farrell	Kalis	Newinski	Seaberg	

Those who voted in the negative were:

Hufnagle
Welker

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 143:

Greenfield, Murphy and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 303:

Wagenius, Rukavina, Ozment, McGuire and Hausman.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 930:

Krueger, Bishop and Lourey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 520:

Dawkins, Pugh and Swenson.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 126

A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

May 17, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 126, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: BOB JOHNSON, KRIS HASSKAMP AND ANTHONY G. "TONY" KINKEL.

Senate Conferees: DON SAMUELSON AND HAROLD R. "SKIP" FINN.

Johnson, R., moved that the report of the Conference Committee on H. F. No. 126 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanis
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggun
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejeman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Scheid	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	

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

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

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1652, A resolution memorializing the Postmaster General to issue a postal stamp in commemoration of Wanda Gag, American Author and Illustrator.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1652 was read for the second time.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding printed Special Orders for today, Saturday, May 18, 1991:

S. F. No. 1571; H. F. No. 1655; S. F. Nos. 371, 300 and 919; and H. F. No. 1693.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today, Saturday, May 18, 1991:

S. F. Nos. 205, 1224, 652, 1152, 1284, 774, 1231, 979, 204, 899, 906, 928, 559, 505, 634, 1127, 861, 1050, 1300, 804, 782 and 601.

The Speaker called Krueger to the Chair.

SPECIAL ORDERS

S. F. No. 1571 was reported to the House.

The Speaker resumed the Chair.

Onnen, Sviggum, Smith, Uphus, Pellow, Swenson, Gruenes, Seaberg, Omann, Goodno, Welker, Waltman, Limmer, Knickerbocker, Girard, Runbeck, Valento, Bettermann and Hufnagle moved to amend S. F. No. 1571, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, ~~until a new apportionment shall have been made elected in 1992 and thereafter,~~ the senate is composed of ~~67~~ 56 members and the house of representatives is composed of ~~134~~ 112 members.

Sec. 2. [EFFECTIVE DATE.]

This act takes effect the day after final enactment.”

Delete the title and insert:

“A bill for an act relating to the legislature; fixing its size in 1992 and thereafter; amending Minnesota Statutes 1990, section 2.021.”

A roll call was requested and properly seconded.

The question was taken on the Onnen et al amendment and the roll was called. There were 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Erhardt	Girard	Gutknecht
Anderson, R. H.	Boo	Frederick	Goodno	Haukoos
Bettermann	Dempsey	Frerichs	Gruenes	Heir

Henry	Leppik	Newinski	Runbeck	Swenson
Hufnagle	Limmer	Olsen, S.	Schreiber	Uphus
Hugoson	Macklin	Omann	Seaberg	Valento
Knickerbocker	Marsh	Onnen	Smith	Waltman
Koppendrayner	McPherson	Pauly	Stanisus	Weaver
Krinkie	Morrison	Pellow	Svigum	Welker

Those who voted in the negative were:

Anderson, I.	Farrell	Kelso	Ogren	Segal
Battaglia	Garcia	Kinkel	Olson, E.	Simoneau
Bauerly	Greenfield	Krueger	Olson, K.	Skoglund
Beard	Hanson	Lasley	Orenstein	Solberg
Begich	Hartle	Lieder	Orfield	Sparby
Bertram	Hasskamp	Long	Osthoff	Steensma
Bodahl	Hausman	Lourey	Ostrom	Thompson
Brown	Jacobs	Lynch	Pelowski	Tompkins
Carlson	Janezich	Mariani	Peterson	Trimble
Carruthers	Jaros	McEachern	Pugh	Tunheim
Clark	Jefferson	McGuire	Reding	Vellenga
Cooper	Jennings	Milbert	Rest	Wagenius
Dauner	Johnson, A.	Munger	Rice	Wejcmán
Davids	Johnson, R.	Murphy	Rodosovich	Welle
Dawkins	Johnson, V.	Nelson, K.	Rukavina	Wenzel
Dille	Kahn	Nelson, S.	Sarna	Winter
Dorn	Kalis	O'Connor	Scheid	Spk. Vanasek

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

Schreiber; Olsen, S.; Pauly and Smith moved to amend S. F. No. 1571, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, ~~until a new apportionment shall have been made~~ elected after 1992 and before 2002, the senate is composed of ~~67~~ 61 members and the house of representatives is composed of ~~134~~ 122 members. For each legislature elected in 2002 and thereafter, the senate is composed of 55 members and the house of representatives is composed of 110 members.

Sec. 2. [EFFECTIVE DATE.]

This act takes effect the day after final enactment."

Delete the title and insert:

"A bill for an act relating to the legislature; fixing its size in 1992 and thereafter; amending Minnesota Statutes 1990, section 2.021."

A roll call was requested and properly seconded.

The question was taken on the Schreiber et al amendment and the roll was called. There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayner	Olsen, S.	Stanisus
Anderson, R. H.	Goodno	Krinkie	Omann	Sviggun
Bettermann	Gruenes	Leppik	Onnen	Swenson
Bishop	Gutknecht	Limmer	Ozment	Uphus
Blatz	Haukoos	Macklin	Pauly	Valento
Boo	Heir	Marsh	Pellow	Waltman
Dempsey	Henry	McPherson	Runbeck	Weaver
Erhardt	Hufnagle	Morrison	Schreiber	Welker
Frederick	Hugoson	Newinski	Seaberg	
Frerichs	Knickerbocker	O'Connor	Smith	

Those who voted in the negative were:

Anderson, I.	Farrell	Kelso	Olson, E.	Simoneau
Battaglia	Garcia	Kinkel	Olson, K.	Skoglund
Bauerly	Greenfield	Krueger	Orenstein	Solberg
Beard	Hanson	Lasley	Orfield	Sparby
Begich	Hartle	Lieder	Osthoff	Steensma
Bertram	Hasskamp	Long	Ostrom	Thompson
Bodahl	Hausman	Lourey	Pelowski	Tompkins
Brown	Jacobs	Lynch	Peterson	Trimble
Carlson	Janezich	Mariani	Pugh	Tunheim
Carruthers	Jaros	McEachern	Reding	Vellenga
Clark	Jefferson	McGuire	Rest	Wagenius
Cooper	Jennings	Milbert	Rice	Wejcmann
Dauner	Johnson, A.	Munger	Rodosovich	Welle
Davids	Johnson, R.	Murphy	Rukavina	Wenzel
Dawkins	Johnson, V.	Nelson, K.	Sarna	Winter
Dille	Kahn	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kalis	Ogren	Segal	

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

Sviggun, McPherson, Valento, Haukoos and Hufnagle offered an amendment to S. F. No. 1571.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Sviggun et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Abrams moved to amend S. F. No. 1571, as follows:

Page 1, after line 8, insert:

"Section 1. Subdivision 1. An amendment to the Minnesota

Constitution is proposed to the people as provided by subdivisions 2 and 3.

Subd. 2. If the amendment is adopted, article IV, sections 2 and 3 will read as follows:

Sec. 2. The number of members who compose the senate and house of representatives shall be prescribed by law. The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof. A law changing the number of senators or representatives shall be effective on January 1 of the next year ending in the number one following enactment of the law and shall govern general elections held under an apportionment plan that becomes effective after that date.

Sec. 3. At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. No representative district shall be divided in the formation of a senate district. The senate districts shall be numbered in a regular series. The legislature shall not prescribe the boundaries for the districts of senators and representatives or for the districts of representatives in the congress of the United States.

Subd. 3. If the amendment is adopted, a new article will be added to the constitution which will read as follows:

ARTICLE XV REDISTRICTING COMMISSION

Section 1. [REDISTRICTING COMMISSION.]

Beginning in 2001, and in each subsequent year ending in the number one, or when required by court order, a redistricting commission shall be established to draw the boundaries of legislative and congressional districts.

The commission shall consist of nine members who are eligible voters of the state. One member must be appointed by the speaker of the house and one by the members of the house representing political parties other than the party represented by the speaker. One member must be appointed by the president of the senate and one by the members of the senate representing political parties other than the party represented by the president. Article IV, section 5 does not apply to the appointment of these four members of

the redistricting commission. The term "political party" as used in this section has the meaning provided by law.

The remaining five members must be appointed by unanimous agreement of the legislative appointees. The qualifications of these members must be provided by law.

Members of the commission must be appointed within the time provided by law but not later than March 15 when the commission is established in a year ending in the number one. The supreme court shall fill any vacancy caused by failure to appoint a member within the time required by law.

Sec. 2. [APPORTIONMENT STANDARDS.]

The commission shall draw the boundaries of legislative and congressional districts in accordance with the following requirements:

- (1) Each district is entitled to elect a single member.
- (2) A state representative district may not be divided in the formation of a senate district.
- (3) The state legislative districts must be substantially equal in population. The population of a state legislative district must not deviate from the ideal by more than two percent, plus or minus.
- (4) The districts must be composed of compact, convenient contiguous territory. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district.
- (5) The districts must be numbered in a regular series.
- (6) The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority makes it possible, the districts must increase the probability that members of the minority will be elected.
- (7) A county, city, or town should not be divided into more than one district except as necessary to meet equal-population requirements or to form districts that are composed of compact, convenient contiguous territory.
- (8) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards.
- (9) No redistricting plan may be drawn for the purpose of favoring any person or political party.

Sec. 3. [REDISTRICTING PLAN.]

The commission shall adopt a redistricting plan within the time provided by law but not later than December 1 when the commission is established in a year ending in the number one. The plan must set forth all of the new legislative and congressional districts. A redistricting plan is adopted by the commission when it is approved by a vote of at least six of its members.

Sec. 4. [EFFECTIVE DATE; ELECTIONS GOVERNED BY NEW DISTRICTS.]

A redistricting plan is effective when it is adopted and any judicial proceedings have been completed. The districts set forth in a redistricting plan must govern elections of state senators, state representatives and representatives in congress beginning with the first general election after the plan is effective.

Sec. 5. [JUDICIAL REVIEW; COURT DRAWN PLAN.]

The supreme court shall exercise original jurisdiction in any matter relating to redistricting in the manner provided by law. If the commission fails to adopt a redistricting plan within the time provided by law the supreme court shall adopt its own plan in accordance with the requirements of section 2 of this article. If a redistricting plan for legislative districts is adopted by the supreme court later than April 1 of a general election year, the time for establishing residency for legislative candidates as set forth in article IV, section 6, is extended to either 45 days after the effective date of the plan or to the last day provided by law for filing for office at the general election, whichever is earlier.

Sec. 6. [IMPLEMENTATION.]

The legislature may enact the laws necessary to implement this article. Redistricting is governed by the law in effect on January 1 of the year in which a reapportionment commission is established.

Sec. 7. The amendment shall be submitted to the people at the 1980 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended to transfer from the legislature to a bipartisan commission the power to draw the boundaries of legislative and congressional districts?

Yes.....
No.....”

Sec. 2. [2.022] [CITATION.]

Sections 3 to 14 may be cited as the "Redistricting Implementation Act."

Sec. 3. [2.023] [APPOINTMENT.]

Subdivision 1. For the purposes of Article XV, section 1 of the Minnesota Constitution "political party" means the political party or political principle by which a legislator was designated on the general election ballot when the legislator was last elected.

Subd. 2. Not more than five members of the commission may be residents of the metropolitan area as defined in section 473.121, subdivision 2 and not more than five may be residents of the area consisting of the remainder of the state.

Subd. 3. Except for the members appointed under subdivision 5, no individual may be appointed or serve as a member of the commission who:

(a) Holds or has held within two years prior to appointment an elected or appointed office in the executive, judicial or legislative branch or in an independent agency of the federal or state government;

(b) Is or has been within two years prior to appointment an officer of a campaign committee of a candidate for state or federal office or an officer of a political party other than a precinct officer;

(c) Is an employee of the legislature or congress;

(d) Is a member of the immediate family of a legislator or representative in congress. "Member of the immediate family" means father, mother, son, daughter, brother, sister, spouse, ex-spouse or member of the same household; or

(e) Is or has been within two years prior to appointment a lobbyist as that term is defined by section 10A.01, subdivision 11.

Subd. 4. Except for members appointed under subdivision 5, no individual appointed as a member of the commission may remain a member if the individual becomes a candidate for any elective state or federal office.

Subd. 5. Not later than January 15 of each year ending in the number one the secretary of state shall request the legislators who are authorized by the constitution to appoint members to serve on the commission to certify the names of their appointees. The representatives representing political parties other than the party represented by the speaker of the house and the senators representing political parties other than the party represented by the presi-

dent of the senate shall convene during the ten days following the request of the secretary of state, at a time and place directed by the secretary, to appoint members of the commission. The secretary of state shall preside at these conventions. The names of all legislative appointees shall be certified to the secretary of state not later than the following February 1. If a certification is not received within the required time, the secretary of state shall notify the chief justice of the supreme court that there is a vacancy on the commission. Within ten days after notification the supreme court shall fill the vacancy and certify the name of the appointee to the secretary of state.

Subd. 6. Not later than March 15 the commission members whose appointments have been certified under subdivision 5 shall appoint the five remaining members by unanimous agreement and certify the names to the secretary of state. When a certificate is not received within the required time, the secretary of state shall notify the chief justice that there is a vacancy. Within ten days after the notification the supreme court shall appoint the necessary number of members and certify their names to the secretary of state.

Subd. 7. Vacancies other than those resulting from a failure to appoint a member within the time provided by law shall be filled by the appointing authority that the original appointment within five days after the vacancy occurs. If the vacancy is not filled within five days the supreme court shall fill the vacancy.

Sec. 4. [2.024] [COMMENCEMENT OF DUTIES; MEETINGS.]

Subdivision 1. The secretary of state shall select a time and place of the first meeting of the commission, which shall not be later than April 1 of the year ending in one, and shall notify the commission members of the time and place selected. Before beginning to exercise their official duties the members of the commission shall take an oath in the form required for other state officers. The secretary of state shall preside at the meeting until the election of a permanent presiding officer. The commission shall elect a presiding officer and other officers as it shall find necessary.

Subd. 2. The commission, after notice and opportunity for public comment, may adopt and publish procedures necessary to carry out its duties. Chapter 14 does not apply to these procedures.

Subd. 3. The commission shall meet upon the call of either the presiding officer or a majority of the members of the commission. The proceedings of the commission are open to the public. The commission shall give public notice of its proceedings and shall keep minutes and audio recordings of those proceedings. All materials submitted to or developed by the commission, together with the minutes and audio record of its proceedings must be preserved and

made available for public inspection and copying. The commission may administer oaths to individuals appearing before it.

Subd. 4. A majority of the members of the commission constitute a quorum to conduct business. At any meeting of the commission at which a quorum is present, a majority of those present may compel the attendance of absent members. The attendance of absent members may be compelled in the manner that either the senate or house of representatives provide for their members.

Sec. 5. [2.025] [REMOVAL OF COMMISSION MEMBER.]

Any member of the commission may be removed from the commission by the supreme court upon petition filed by any eligible voter. The member may be removed after a hearing and upon a finding by the supreme court, by a preponderance of the evidence, that the member:

(a) Has been convicted, during his membership, of a gross misdemeanor or felony;

(b) Is unqualified to serve under the provisions of section 4, subdivision 3 or 4;

(c) Is physically or mentally incapable of serving; or

(d) Is unwilling to serve.

It is prima facie evidence that a member is unwilling to serve if the member fails to attend three successive meetings of the commission or fails to attend a total of six meetings of the commission. Upon removal, the position must be filled in the manner provided for filling vacancies. An individual who is removed from the commission under this section may not be reappointed to the commission.

Sec. 6. [2.026] [ADMINISTRATIVE SUPPORT.]

The presiding officer of the commission shall supervise the staff of the commission. The secretary of state, commissioner of administration, attorney general and revisor of statutes shall make available the personnel, facilities, technical services and other assistance requested by the commission. The commission may employ or contract for the services of other staff personnel.

Sec. 7. [2.027] [APPORTIONMENT PLAN.]

Subdivision 1. A redistricting plan adopted by the commission must include:

(a) A written description of each district drawn by the commission;

(b) A map of each district showing the name and location of each public road and each local government unit boundary in the district in a scale that allows precise location of the district boundaries;

(c) A map of the state showing all of the districts drawn by the commission;

(d) A statement of the deviation in population of each district from the average population of all district of that kind;

(e) A justification of any population deviation described in clause (d) for a congressional district and of any deviation which exceeds five percent for legislative districts;

(f) An explanation of the standards used by the commission to draw the districts; and

(g) Any other information which the commission deems relevant to the plan.

Subd. 2. A redistricting plan must be adopted not later than September 1 of the year in which the commission is established. When a redistricting plan adopted by the commission is remanded by the supreme court or by a federal court, the commission shall adopt an amended plan consistent with the finding of the court not later than 30 days after the original plan is remanded.

Subd. 3. The commission shall file the original or any amended plan with the secretary of state within five days of its adoption.

Subd. 4. Any commission members in the minority may prepare a minority report which shall be published with the plan adopted by the commission.

Sec. 8. [2.028] [COURT ORDER OR CHANGE IN CONGRESSIONAL REPRESENTATION.]

Subdivision 1. When a commission is not otherwise constituted and either the number of the state's representatives in congress is changed by federal law or a federal court order requires adoption or amendment of an original plan, a commission must be established and shall draw the congressional district boundaries or amend the plan.

Subd. 2. The supreme court shall set a timetable for establishing a redistricting commission and drawing the boundaries or amending the plan. The timetable shall be consistent with the time provided

for adoption of an plan under section 8, subdivision 2, as far as practicable.

Sec. 9. [2.029] [COMPENSATION.]

Members of the commission who are not paid a salary by the state shall be compensated at the rate provided by section 15.059, subdivision 3, for members of advisory councils and committees. Members shall be compensated for their actual and necessary expenses incurred in carrying out their duties on the commission in the same manner and amount as other state employees.

Sec. 10. [2.0291] [DISSOLUTION.]

The commission shall conclude its business and dissolve when:

(a) 30 days have passed from the adoption of an original, unamended redistricting plan without the filing of any petition for review by the supreme court and all legal actions concerning the plan which are known at that time have been decided; or

(b) The commission has adopted an amended redistricting plan after remand by a court and has completed its duties under section 12; or

(c) The commission has failed to adopt a plan or amended a plan within the time required by law.

The conclusion of business must include preparation of the official record of the commission and a financial statement disclosing all expenditures made by the commission. The official record must contain all information developed by the commission pursuant to carrying out its duties including records of public hearings, data collected, minutes and audio recordings of hearings and meetings, and other information of a similar nature. The official record must be submitted to the secretary of state who shall provide for its preservation.

Sec. 11. [2.0292] [PUBLICATION OF REPORT.]

Subdivision 1. Promptly after the adoption of a redistricting plan the commission shall:

(a) Prepare and transmit a copy of the plan to each county auditor;

(b) Prepare and transmit a summary of the plan to each newspaper of general circulation and each radio and television station in the state; and

(c) Prepare sufficient copies of the plan and the summary for inspection, copying and purchase by the public.

Subd. 2. The summary must contain:

(a) A map showing all the new districts in the state;

(b) Separate maps showing the districts in the principal area served by the newspaper, radio or television station;

(c) A statement of the population of each district;

(d) A statement of the percentage variation of each district from the average population of other districts of the same kind; and

(e) An indication of where a copy of the final report of the commission may be examined or purchased and its purchase price.

Sec. 12. [2.0293] [JUDICIAL REVIEW.]

Subdivision 1. An action to review an original or amended redistricting plan adopted by the redistricting commission must be commenced by petition to the supreme court within 30 days of the date the plan is filed with the secretary of state. The petition must set forth the facts and the law on the basis of which petitioner believes the plan does not comply with the provisions of the United States Constitution, the Minnesota Constitution or other provisions of law. A copy of the petition must be served upon the commission and upon the attorney general. The court shall hold hearings upon the petition and shall render its opinion on an original unamended plan of the commission within 60 days of the date that the petition to review the plan is filed. The court shall render its opinion on an amended plan of the commission within 30 days of the date the petition to review the amended plan is filed.

Subd. 2. If the court finds that an original, unamended plan of the redistricting commission is invalid because it does not comply with constitutional or legal requirements, the court shall specify the reasons for its findings and immediately remand the plan to the commission for amendment. If the court retains jurisdiction of an action to review a plan when the plan is remanded to the commission, the court shall render its opinion on any amended plan within 30 days after the date the amended plan is filed with the secretary of state.

Subd. 3. If a federal court finds that an original unamended plan of the redistricting commission is invalid because it does not comply with constitutional or legal requirements, and the court permits the commission to redraw the boundaries with consideration to the

court's findings and conclusions, the plan must be remanded to the commission for amendment.

Subd. 4. If the commission fails to adopt a redistricting plan or an amended plan within the time provided by law, or an amended plan adopted by the commission is found invalid upon review by the supreme court or by any federal court, the supreme court shall adopt its own plan in accordance with the requirements of Article XV, Section 2, of the Minnesota Constitution. The court shall hold at least one public hearing before adopting or amending a plan. A plan adopted or amended by the supreme court shall be in the form prescribed for a plan adopted by the commission. The court shall adopt the plan or amended plan and file it with the secretary of state not later than 60 days from the date on which the amended plan was declared invalid, or the date on which the plan or amended plan was required to be adopted by the commission. The secretary of state shall perform the duties provided in section 12 with respect to a plan adopted by the court.

Sec. 13. [2.0924] [DUTIES OF ATTORNEY GENERAL.]

The attorney general shall represent the commission and shall defend the redistricting plan adopted by the commission in any action to review the plan in the supreme court. He shall represent the state and shall defend the redistricting plan adopted pursuant to Article XV of the Minnesota Constitution and sections 3 to 14 in any action to review the plan in a federal court. In any action in federal court, the attorney general shall request the court to expedite the proceedings.

Sec. 14. [REPEALER.]

Minnesota Statutes, sections 2.03 to 2.203 and Minnesota Statutes, sections 2.731 to 2.811 are repealed on the effective date of an apportionment plan pursuant to article XV of the constitution.

Sec. 15. [EFFECTIVE DATE.]

Sections 3 to 14 and 16 are effective on January 1, 2001, if the constitutional amendment in section 1 is ratified as provided by the constitution."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams amendment and the roll was called. There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Koppendrayner	Olsen, S.	Swenson
Anderson, R. H.	Gutknecht	Krinkie	Omamn	Tompkins
Bettermann	Hartle	Leppik	Onnen	Uphus
Blatz	Haukoos	Limmer	Ozment	Valento
Boo	Heir	Lynch	Pauly	Vellenga
Davids	Henry	Macklin	Pellow	Waltman
Dempsey	Hufnagle	Marsh	Runbeck	Weaver
Erhardt	Hugoson	McPherson	Schreiber	Welker
Frederick	Jefferson	Morrison	Seaberg	
Frerichs	Johnson, V.	Munger	Smith	
Girard	Kelso	Newinski	Stanius	
Goodno	Knickerbocker	O'Connor	Sviggum	

Those who voted in the negative were:

Anderson, I.	Dorn	Kinkel	Olson, K.	Segal
Battaglia	Farrell	Krueger	Orenstein	Simoneau
Bauerly	Garcia	Lasley	Orfield	Skoglund
Beard	Greenfield	Lieder	Osthoff	Solberg
Begich	Hanson	Long	Ostrom	Sparby
Bertram	Hasskamp	Lourey	Pelowski	Steensma
Bodahl	Hausman	Mariani	Peterson	Thompson
Brown	Jacobs	McEachern	Pugh	Trimble
Carlson	Janezich	McGuire	Reding	Tunheim
Carruthers	Jaros	Milbert	Rest	Wagenius
Clark	Jennings	Murphy	Rice	Wejzman
Cooper	Johnson, A.	Nelson, K.	Rodosovich	Welle
Dauner	Johnson, R.	Nelson, S.	Rukavina	Wenzel
Dawkins	Kahn	Ogren	Sarna	Winter
Dille	Kalis	Olson, E.	Scheid	Spk. Vanasek

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

S. F. No. 1571, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

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 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Boo	Dauner	Hausman	Johnson, A.
Battaglia	Brown	Dawkins	Jacobs	Kahn
Bauerly	Carlson	Farrell	Janezich	Kalis
Beard	Carruthers	Garcia	Jaros	Kelso
Bertram	Clark	Greenfield	Jefferson	Kinkel
Bodahl	Cooper	Hasskamp	Jennings	Krueger

Lasley	Munger	Ostrom	Scheid	Tunheim
Lieder	Murphy	Pelowski	Segal	Vellenga
Long	Nelson, S.	Peterson	Simoneau	Wagenius
Lourey	Ogren	Pugh	Skoglund	Wejcmán
Mariani	Olson, E.	Reding	Solberg	Welle
McEachern	Olson, K.	Rest	Sparby	Wenzel
McGuire	Orenstein	Rice	Steensma	Winter
Milbert	Osthoff	Rodosovich	Trimble	Spk. Vanasek

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Stanisus
Anderson, R.	Goodno	Koppendrayar	Omann	Sviggunn
Anderson, R. H.	Gruenes	Krinkie	Onnen	Swenson
Begich	Gutknecht	Leppik	Orfield	Tompkins
Bettermann	Hanson	Limmer	Ozment	Uphus
Bishop	Hartle	Lynch	Pauly	Valento
Blatz	Haukoos	Macklin	Pellow	Waltman
Davids	Heir	Marsh	Rukavina	Weaver
Dempsey	Henry	McPherson	Runbeck	Welker
Dille	Hufnagle	Morrison	Sarna	
Erhardt	Hugoson	Nelson, K.	Schreiber	
Frederick	Johnson, R.	Newinski	Seaberg	
Frerichs	Johnson, V.	O'Connor	Smith	

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 683

A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicat-

ing liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

May 15, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 683, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 683 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or nonintoxicating malt liquor license; but. The commissioner may not issue a license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has

owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or nonintoxicating malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 2. Minnesota Statutes 1990, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured ~~or~~, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is \$20. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for two years or more must be reregistered before its sale can be resumed. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for at least three years for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) ~~A brand~~ The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 3. Minnesota Statutes 1990, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

(3) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; ~~or~~

(4) a person not of good moral character and repute; or

(5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 4. Minnesota Statutes 1990, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests;

(5) sports facilities located on land owned by the metropolitan sports commission; and

(6) exclusive liquor stores.

Sec. 5. Minnesota Statutes 1990, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) ~~Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in the city of Minneapolis or an entity holding a concessions contract with the owner for use on the premises of that sports arena. The license authorizes sales on all days of the week to holders of tickets for sporting events or other events at the sports arena and to the owner of the sports arena and the owner's guests. The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises.~~

Sec. 6. Minnesota Statutes 1990, section 340A.404, is amended by adding a subdivision to read:

Subd. 2a. [CITY OF MINNEAPOLIS; ARENA.] (a) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale or combination on-sale and off-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in Minneapolis, or to an entity holding a concessions contract with the owner for use on the premises of that sports arena.

(b) The license authorizes sales on all days of the week to holders of tickets for events at the sports arena, and to the owners of the sports arena and the owners' guests.

(c) The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises unless such dispensing is authorized by the city. The city may not authorize the dispensing of intoxicating liquor at any event held under the auspices of the Minnesota state high school league.

(d) The license authorized by this subdivision may be issued for

space that is not compact and contiguous, provided that all such space is within the sports arena building and is included in the description of the licensed premises on the approved license application.

(e) Notwithstanding any law or rule to the contrary, a person licensed to make off-sales within the sports arena building may deliver alcoholic beverages to rooms and suites within the sports arena building (1) between midnight and 8:00 a.m. on Monday through Thursday, and (2) between midnight and 8:00 a.m. and between 10:00 p.m. and midnight on Friday through Sunday. No delivery authorized by this paragraph may be made to a room or suite within the building at any time when an event utilizing the room or suite is in progress.

(f) The holder of a license issued under this subdivision may dispense intoxicating liquor in miniature bottles if the intoxicating liquor is poured from the miniature bottles, mixed into another beverage, and dispensed on the premises by employees of the licensee.

Sec. 7. Minnesota Statutes 1990, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, or club with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated ~~to a restaurant or club with the approval of the commissioner.~~ Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed ~~six~~ nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 8. Minnesota Statutes 1990, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued

under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route from the boundary of any statutory or home rule city ~~except cities of the first class or within Pine, Carlton, Carver, Hasen, or Red Lake county within one mile of a statutory or home rule city with that had established a municipal liquor store before August 1, 1991,~~ provided, that a county board may not issue a new license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of a city that (1) is located outside the metropolitan area as defined in section 473.121, subdivision 2, (2) has a population over 5,000 according to the most recent federal decennial census, and (3) had established a municipal liquor store before August 1, 1991.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 9. Minnesota Statutes 1990, section 340A.405, subdivision 6, is amended to read:

Subd. 6. [AIRPORTS COMMISSION.] The metropolitan airports commission may with the approval of the commissioner issue

licenses for the off-sale of ~~Minnesota-produced~~ wine at the Minneapolis-St. Paul International Airport.

Sec. 10. Minnesota Statutes 1990, section 340A.4055, is amended to read:

340A.4055 [LICENSES IN INDIAN COUNTRY.]

Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of intoxicating liquor or nonintoxicating malt liquor issued by the governing body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an Indian tribal member or Indian tribal entity for an establishment located within Indian country as defined under United States Code, title 18, section 1154, is valid with the approval of the commissioner. ~~The commissioner shall approve the license if the establishment has complied with sections 340A.402; 340A.409; 340A.410; subdivisions 4, 5, and 7; 340A.412; subdivisions 1 to 7, 9, and 10; 340A.413; 340A.501; 340A.502; 340A.503; 340A.504; and 340A.506. When a license is issued under this section, the issuing authority shall notify the commissioner of public safety of the name and address of the licensee. Upon receipt of the notice, the commissioner shall issue a retailer's identification card to the licensee to permit the licensee to purchase distilled spirits, wine, or malt beverages. An establishment issued a license under this subdivision section is not required to obtain a license from any municipality, county, or town.~~

Sec. 11. Minnesota Statutes 1990, section 340A.408, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] (a) The license fee for a retail on-sale intoxicating liquor license is the fee set by the city or county issuing the license subject to the limitations imposed under this subdivision.

(b) The annual license fee for an on-sale intoxicating liquor license issued by a ~~city~~ municipality to a club must be no greater than:

- (1) \$300 for a club with under 200 members;
- (2) \$500 for a club with between 201 and 500 members;
- (3) \$650 for a club with between 501 and 1,000 members;
- (4) \$800 for a club with between 1,001 and 2,000 members;
- (5) \$1,000 for a club with between 2,001 and 4,000 members;
- (6) \$2,000 for a club with between 4,001 and 6,000 members; or

(7) \$3,000 for a club with over 6,000 members.

(c) The license fee for the issuance of a wine license may not exceed one-half of the license fee charged for an on-sale intoxicating liquor license, or \$2,000, whichever is less.

(d) The town board of a town in which an on-sale establishment has been licensed by a county may impose an additional license fee on each such establishment in an amount not to exceed 20 percent of the county license fee.

Sec. 12. Minnesota Statutes 1990, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 13. Minnesota Statutes 1990, section 340A.412, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION OF ON-SALE LICENSES.] (a) The city or county having jurisdiction over on-sale licenses to sell intoxicating liquor shall on initial application for an on-sale license or on application for a transfer of an existing license conduct a preliminary background and financial investigation of the applicant. The application must be in the form prescribed by the ~~bureau of criminal apprehension~~ commissioner and with any additional information as the governing body of the city or county having jurisdiction over the license requires. If the governing body of the city or county having jurisdiction determines or if the ~~bureau of criminal apprehension~~ commissioner on its the commissioner's own initiative determines that a comprehensive background and investigation of the applicant is necessary, the governing body may conduct the investigation itself or contract with the ~~bureau of criminal apprehension~~ commissioner for the investigation. In addition, an investigation may be required prior to renewal of an existing

on-sale license when the governing body of the city or county deems it in the public interest. An investigation fee not to exceed \$500 shall be charged an applicant by the city or county if the investigation is conducted within the state, or the actual cost not to exceed \$10,000 if the investigation is required outside the state.

(b) No license may be issued, transferred, or renewed if the results of the investigation show, to the satisfaction of the governing body, that issuance, transfer, or renewal would not be in the public interest.

Sec. 14. Minnesota Statutes 1990, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] ~~(a) No more than one off sale intoxicating liquor license may be directly or indirectly issued to any one person or for any one place in each city or county.~~

~~(b) For the purpose of this subdivision, the term "interest":~~

~~(1) includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, and a person who receives money from time to time directly or indirectly from a licensee, in the absence of consideration and excluding gifts or donations; has a pecuniary interest in the retail license; and~~

~~(2) does not include loans; rental agreements; open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures, supplies to the establishment; an interest in a corporation owning or operating a hotel but having at least 150 or more rental units holding a liquor license in conjunction therewith; or ten percent or less interest in any other corporation holding a license.~~

~~(c) In determining whether an "interest" exists, the transaction must have been bona fide and the reasonable value of the goods and things received as consideration for a payment by the licensee and all other facts reasonably tending to prove or disprove the existence of a purposeful scheme or arrangement to evade the restrictions of this subdivision must be considered. A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.~~

Sec. 15. Minnesota Statutes 1990, section 340A.412, is amended by adding a subdivision to read:

Subd. 12. [OFF-SITE STORAGE PROHIBITION.] A holder of a retail intoxicating liquor license or a municipal liquor store may not

store any intoxicating liquor at any location other than the licensed premises except with the written permission of the commissioner.

Sec. 16. Minnesota Statutes 1990, section 340A.413, subdivision 1, is amended to read:

Subdivision 1. [ON-SALE LICENSES.] No on-sale intoxicating liquor license may be issued in any city except as provided in this section in excess of the following limits:

(1) in cities of the first class, one license for every 1,500 population, up to 200 licenses;

(2) in cities of the second class, not more than 18 licenses plus one for every 2,500 population over 45,000;

(3) in cities of the third class, not more than 12 licenses;

(4) in cities of the fourth class, including cities whose acts of incorporation were repealed by Laws 1973, chapter 123, article V, section 5, not more than seven licenses;

(5) in statutory cities of 5,000 to 10,000 population, not more than six licenses;

(6) in statutory cities of 2,500 to 5,000 population, not more than five licenses;

(7) in statutory cities of 500 to 2,500 population, not more than four licenses; and

(8) in statutory cities under 500 population, not more than three licenses.

Sec. 17. Minnesota Statutes 1990, section 340A.414, subdivision 4, is amended to read:

Subd. 4. [PERMIT EXPIRATION.] All permits issued under this section expire on ~~June 30~~ March 31 of each year.

Sec. 18. Minnesota Statutes 1990, section 340A.414, subdivision 8, is amended to read:

Subd. 8. [LOCKERS.] A club issued a permit under this section may allow members to bring and keep a personal supply of intoxicating liquor in lockers on the club's premises. All bottles kept on the premises must have attached to it a label signed by the member. No person under ~~19~~ 21 years of age may keep a supply of intoxicating liquor on club premises.

Sec. 19. Minnesota Statutes 1990, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION.]

The authority issuing or approving any retail license or permit under this chapter shall either suspend for up to 60 days or revoke the license or permit or impose a civil fine not to exceed \$2,000 for each violation on a finding that the license or permit holder has failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages. No suspension or revocation takes effect until the license or permit holder has been afforded an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearing. The issuing authority or the commissioner may impose the penalties provided in this section on a retail licensee who knowingly (1) sells alcoholic beverages to another retail licensee for the purpose of resale, ~~or on a retail licensee who~~ (2) purchases alcoholic beverages from another retail licensee for the purpose of resale, (3) conducts or permits the conduct of gambling on the licensed premises in violation of the law, or (4) fails to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 24.

Sec. 20. Minnesota Statutes 1990, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, municipal liquor store, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises or within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

Sec. 21. Minnesota Statutes 1990, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except as provided that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.

Sec. 22. Minnesota Statutes 1990, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A ~~municipality~~ city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the ~~municipality~~ city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor

on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 for each duplicate.

Sec. 23. Minnesota Statutes 1990, section 340A.506, is amended to read:

340A.506 [SALES OF ETHYL ALCOHOL AND NEUTRAL SPIRITS PROHIBITED.]

Subdivision 1. [ETHYL ALCOHOL; NEUTRAL SPIRITS.] No person may sell at retail for beverage purposes ethyl alcohol or neutral spirits, or substitutes thereof, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits. Nothing in this section prohibits the manufacture or sale of other products obtained by use of ethyl alcohol or neutral spirits as defined in United States Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.

Subd. 2. [MAXIMUM ALCOHOL CONTENT.] No person may sell for beverage purposes any spirits, distilled from grain or corn, with an alcohol content of 80 percent or more, which equals 160 proof or more, unless such spirits have been aged in wood casks for not less than two years.

Sec. 24. Minnesota Statutes 1990, section 340A.508, is amended by adding a subdivision to read:

Subd. 3. [PURITY OF CONTENTS.] The commissioner may examine the contents of any container of alcoholic beverages on the premises of any licensee under this chapter or any municipal liquor store, for the purpose of determining the purity of the alcoholic beverages. The commissioner may remove any container, or remove all or part of the contents thereof, for the purpose of conducting tests of purity. The commissioner may order the removal from inventory of any container the contents of which fail to meet standards of purity established by rules adopted under this subdivision, and may order the disposal of the contents. The commissioner may adopt rules that (1) provide standards of purity for alcoholic beverages and procedures for testing for purity, and (2) govern the removal from inventory and disposal of alcoholic beverages that do not meet the commissioner's standards of purity.

Sec. 25. Minnesota Statutes 1990, section 340A.601, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE OF LICENSES TO PRIVATE PERSONS.] A city owning and operating a municipal liquor store may issue on-sale liquor licenses to hotels, clubs, and restaurants. A city issuing on-sale licenses under this subdivision may continue to

operate the municipal liquor store or may resume operation of a municipal liquor store previously discontinued.

The number of on-sale licenses issued under this section by a city is governed by section 340A.413.

A city may not issue licenses under this section, other than a license issued to a club under section 340A.404, subdivision 1, clause (4), until authorized by the voters of the city voting on the question at a special election called for that purpose.

Sec. 26. Minnesota Statutes 1990, section 340A.604, is amended to read:

340A.604 [SUSPENSION OF OPERATION.]

A court shall notify the commissioner in writing within ten days whenever a municipal officer or employee has been convicted of any of the following offenses committed in a municipal liquor store:

(1) selling alcoholic beverages to persons or at times prohibited by law;

(2) selling alcoholic beverages for resale;

(3) selling alcoholic beverages on which state taxes have not been paid; or

(4) violating the provisions of section 340A.410, subdivision 6 5, relating to gambling and gambling devices.

On receiving the notice of conviction the commissioner may suspend for up to 30 days the operation of the municipal liquor store where the offense occurred. The commissioner must notify in writing the municipality operating the store of the effective dates of the suspension. An appeal of the suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 27. [ST. LOUIS COUNTY LICENSE.]

Notwithstanding any law to the contrary, the St. Louis county board may issue a license for the on-sale of intoxicating malt liquor to an establishment located in township 61, range 18, section 29, parcel no. 2150010050251. The county board shall set the fee for the license. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 28. [CITY OF ALEXANDRIA; SUNDAY LIQUOR LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), the city of Alexandria may issue licenses authorizing on-sales of intoxicating liquor on Sunday to restaurants and bowling centers in the city without authorization by the voters of the city. All other provisions of Minnesota Statutes, chapter 340A, apply to a license issued under this section.

Sec. 29. [ON-SALE LICENSES; CITY OF VIRGINIA.]

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Virginia may issue not more than 21 on-sale intoxicating liquor licenses. The licenses authorized by this section include any licenses which the city may issue by special law or by a referendum conducted under Minnesota Statutes, section 340A.413, subdivision 3, before the effective date of this section. All other provisions of Minnesota Statutes, chapter 340A, including section 340A.413, subdivision 4, not inconsistent with this section apply to licenses issued under this section.

Sec. 30. [ON-SALE LICENSES; CITY OF HIBBING.]

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Hibbing may issue not more than 20 on-sale intoxicating liquor licenses. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to licenses issued under this section.

Sec. 31. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change in the next and subsequent editions of Minnesota Statutes and Minnesota Rules the term "nonintoxicating malt liquor" wherever it occurs to "3.2 percent malt liquor."

Sec. 32. [TRANSITION.]

Notwithstanding Minnesota Statutes, section 340A.414, subdivision 4, all consumption and display permits issued by the commissioner of public safety that expire June 30, 1991, are extended and are valid until March 31, 1992.

Sec. 33. [REPEALER.]

Subdivision 1. [SEASONAL LICENSE AUTHORITY.] Minnesota Statutes 1990, section 340A.404, subdivision 6a, is repealed.

Subd. 2. [VIRGINIA SPECIAL LAW.] Laws 1974, chapter 501, section 1, is repealed.

Subd. 3. [HIBBING SPECIAL LAW.] Laws 1989, chapter 72, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Section 8 applies to new licenses issued on or after August 1, 1991. Sections 17 and 30 are effective June 1, 1991. Section 27 is effective on approval of the St. Louis county board and compliance with Minnesota Statutes, section 645.021. Section 28 is effective on approval by the Alexandria city council and compliance with Minnesota Statutes, section 645.021. Sections 29 and 33, subdivision 2, are effective on approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021. Sections 30 and 33, subdivision 3, are effective on approval by the Hibbing city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing for sale of intoxicating liquor at a sports arena in Minneapolis; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; providing for the issuance of retailer identification cards to certain licensees; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of

an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of on-sale Sunday liquor licenses by the city of Alexandria; specifying the number of on-sale licenses which may be issued in the cities of Virginia and Hibbing; changing the name of nonintoxicating malt liquor; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1, 2, 6, and by adding a subdivision; 340A.405, subdivisions 2 and 6; 340A.4055; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a; Laws 1974, chapter 501, section 1; and Laws 1989, chapter 72."

We request adoption of this report and repassage of the bill.

House Conferees: JOEL JACOBS, JERRY JANEZICH AND BEN BOO.

Senate Conferees: SAM G. SOLON, JAMES P. METZEN AND WILLIAM V. BELANGER, JR.

Jacobs moved that the report of the Conference Committee on H. F. No. 683 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic

beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

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

The question was taken on the repassage of the bill and the roll was called. There were 108 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Frederick	Krueger	Olson, E.	Simoneau
Anderson, R.	Garcia	Lasley	Olson, K.	Smith
Anderson, R. H.	Girard	Leppik	Omann	Solberg
Battaglia	Greenfield	Lieder	Orenstein	Sparby
Bauerly	Hanson	Limmer	Orfield	Stanius
Beard	Hartle	Long	Osthoff	Steensma
Begich	Hasskamp	Lourey	Ostrom	Swenson
Bertram	Hausman	Lynch	Pauly	Thompson
Bishop	Hufnagle	Macklin	Pellow	Trimble
Bodahl	Jacobs	Mariani	Pelowski	Tunheim
Boo	Janezich	Marsh	Peterson	Uphus
Brown	Jaros	McEachern	Pugh	Valento
Carlson	Jefferson	McGuire	Reding	Vellenga
Carruthers	Jennings	Milbert	Rest	Weaver
Clark	Johnson, A.	Morrison	Rodosovich	Wejman
Cooper	Johnson, R.	Munger	Rukavina	Welle
Dauner	Johnson, V.	Murphy	Runbeck	Wenzel
Dawkins	Kahn	Nelson, K.	Sarna	Winter
Dempsey	Kalis	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kelso	O'Connor	Schreiber	
Erhardt	Kinkel	Ogren	Seaberg	

Those who voted in the negative were:

Bettermann	Dauids	Frerichs	Gruenes	Haukoos
Blatz	Dille	Goodno	Gutknecht	Heir

Henry
Hugoson
Koppendraye

Krinkie
McPherson
Newinski

Onnen
Rice
Skoglund

Svigum
Tompkins
Wagenius

Waltman
Welker

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

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 53, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02,

subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 326, A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce 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. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 2, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House refuse to concur in the Senate amendments to H. F. No. 783, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 833, A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 833, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2:

Ogren, Skoglund, Welle, Greenfield and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 783:

Bishop, Murphy and Munger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 833:

Rest, Schreiber and Scheid.

SPECIAL ORDERS

H. F. No. 1655 was reported to the House.

Simoneau, Bishop and Boo moved to amend H. F. No. 1655, the fourth engrossment, as follows:

Page 32, line 34, after the period, insert "Before the metropolitan airports commission or the commissioner of finance issues bonds authorized by this act, the commission or commissioner shall report the amount of bonds to be issued, a detailed description of the projects and facilities to be financed by the bonds, and the terms of the lease, loan, and revenue agreements to the legislative commission on planning and fiscal policy for its advisory recommendation. The recommendation is positive if not received by the commission or commissioner within ten days."

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 2, line 19, after “\$350,000,000” insert “, except for refunding bonds”

Page 4, line 33, after “lessee” insert “or lessees”

Page 4, line 36, after the second “and” insert “, for purposes of a project described in subdivision 5,”

Page 5, line 5, after “and” insert “, for purposes of the project described in subdivision 5, the”

Page 5, line 17, delete “and” and insert a comma

Page 5, line 19, after “6” insert “, and any bonds issued to refund these bonds”

Page 5, line 24, delete everything after “(i)”

Page 5, line 25, delete everything after “\$125,000,000”

Page 5, line 26, delete everything before “for”

Page 5, line 27, delete “the lesser of” and delete “or”

Page 5, delete line 28

Page 5, line 29, delete “debt service fund”

Page 5, line 34, after the period, insert “In no event may the security provided by this paragraph extend in whole or part to any series of bonds other than the initial series of bonds so secured and any series of bonds issued to refund these bonds.”

Page 6, after line 34, insert:

“(e) By resolution of the governing bodies of St. Louis county, the city of Hibbing or the city of Chisholm, either the city of Hibbing, the city of Chisholm or St. Louis county, or any or all of them, may pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on any series of bonds for facilities described in section 2, subdivision 6. The general obligation and pledge are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.”

Page 7, line 7, after the period, insert “The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision.”

Page 7, line 35, after the period, insert “The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision.”

Page 8, line 22, delete everything after “the” and insert “airline corporation primarily benefited by the project”

Page 8, line 23, delete “corporation”

Page 10, line 28, delete “13” and insert “4”

Page 11, line 21, delete “secured” and insert “payable”

Page 11, line 23, after “manner” insert “and information in a bond register is subject to the limitations”

Page 12, line 26, after “bonds” insert “and interest payable thereon”

Page 12, line 27, after “are” insert “irrevocably”

Page 13, line 28, after the second “bonds” insert “and interest thereon and of any sums due to the trustee under the indenture”

Page 14, lines 2 and 3, delete “notes or”

Page 14, after line 28, insert:

“(i) It may incur obligations under the indenture or under any paying agency, bond registrar agreement or escrow agreement to pay the compensation and expenses of the trustee, paying agent, bond registrar or escrow agent for the bonds and to pay any sums required to be refunded to the United States to comply with applicable tax laws; and a sum sufficient to satisfy these obligations is annually appropriated to the commissioner from the general fund to the extent other revenues available for that purpose are insufficient.”

Page 16, line 6, after the period, insert “Money in the account is appropriated to the commissioner.”

Page 16, line 23, after “required” insert “to be deposited”

Page 18, line 5, delete “or” and insert “the payment of trustee or paying agency or registrar fees and expenses, or the payment of”

Page 18, line 19, after “provides” insert “and subject to the limitations in section 2, subdivision 4, paragraph (a), clause (1)”

Page 18, line 30, after “and” insert “interest due on the deficiency bonds and to establish a debt service reserve for the deficiency bonds.”

Page 22, line 29, delete “15” and insert “19”

Page 22, line 32, after “safe” insert “and efficient”

Page 23, line 5, after “state” insert “guaranteed”

Page 23, after line 23, insert:

“Section 1. Minnesota Statutes 1990, section 473.667, subdivision 8a, is amended to read:

Subd. 8a. [REFUNDING BONDS.] The commission may issue general obligation revenue refunding bonds to refund bonds issued pursuant to ~~subdivision 2~~ this section in accordance with section 475.67, subdivisions 1 to 11.”

Page 24, line 8, after “bonds” insert “under this section”

Page 24, line 17, after “commission” insert “which may include discharging a leasehold interest on the properties”

Page 24, line 28, after the period, insert “All such properties are airport facilities for purposes of complying with the provisions of subdivisions 3 and 5.”

Page 28, line 25, after “resolution” insert “, trust indenture,”

Page 30, line 24, after “bonds” insert “under this section”

Page 31, line 12, after “(2)” insert “The”

Renumber the sections

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Johnson, A., to the Chair.

Simoneau, Schreiber and Ogren moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 6, line 29, after the second "city" insert ", as provided in section 23,"

Page 20, after line 3, insert:

"Sec. 16. Minnesota Statutes 1990, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the metropolitan airports commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business; or

(iii) facilities leased by a private individual, association or corporation in connection with a business for profit, that consists of a major jet engine repair facility financed, in whole or part, with the proceeds of state bonds and located in a tax increment financing district;

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport; or

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 17 Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR JOB CREATION.] (a) A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter.

(b) For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days

before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed for the facility, the credit must not exceed 80 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For purposes of this section, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

Sec. 18. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EX-EMPTIONS.]

Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt."

Page 22, after line 27, insert:

"Sec. 23. [CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district shall be expanded by two members. The additional two members shall be elected county commissioners from the city of Duluth and appointed by the St. Louis county board for terms as designated by the county board.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and money in any of the funds specified in section 54(a) of the Duluth City Charter that are pledged by the governing body of the city of Duluth for this purpose must be used to pay debt service on the obligations or debt issued under section 4 to finance any portion of the facilities described in section 2, subdivision 5, in a principal amount not to exceed \$47,600,000. If the revenues derived from tax increment and the maximum amount of the other pledged revenues exceed the minimum amount the bond indenture requires to be deposited in the debt service fund, including any reserve, the excess either must be used (1) to defease the bonds, or (2) to reduce pro rata the amount of other pledged revenues and tax increments required to be deposited in the debt service fund. Tax increments not required to be deposited in the debt service fund are excess tax increments and must be distributed as provided in section 469.176, subdivision 2, paragraph (a), clause (4).

(c) Administrative expenses of the district may be paid out of the proceeds of the bonds as the commissioner of finance determines appropriate and are appropriated for that purpose.

(d) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.

Sec. 24. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the taconite tax relief area as defined in Minnesota Statutes, section 273.134, and appointed by the St. Louis county board for terms as designated by the county board.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district must be used to pay debt service on the obligations issued under section 4 to finance any portion of the facilities described in section 2, subdivision 6.

(c) Administrative expenses of the district may be paid out of the proceeds of the bonds issued under section 4 as the commissioner of finance determines appropriate and are appropriated for that purpose.

(d) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district."

Page 22, line 29, delete "15" and insert "24"

Page 23, line 21, after the period, insert "Section 17 is effective for taxable years beginning after December 31, 1991."

Page 31, after line 20, insert:

"Sec. 5. [473.680] [TAX INCREMENT FINANCING DISTRICT FOR HEAVY MAINTENANCE FACILITY.]

Subdivision 1. [AUTHORIZATION.] The commission may create a tax increment financing district as provided in this subdivision on

property located at the Minneapolis-St. Paul International Airport. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the district. The district shall consist of parcels on which the heavy maintenance facility described in section 473.667, subdivision 12, is proposed to be located. The commission is the "authority" for purposes of sections 469.174 to 469.179.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be an economic development district as defined in section 469.174, subdivision 12.

(b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increment from the district must be used only to pay debt service on general obligation revenue bonds issued by the commission under section 473.667, subdivision 12."

Page 31, line 21, delete "5" and insert "6"

Page 31, line 22, delete "4" and insert "5"

Renumber the sections in sequence and correct internal cross references

Amend the title accordingly

Pauly and Valento moved to amend the Simoneau et al amendment to H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 4, line 29, before "tools" insert "and" and delete the last comma

Page 4, delete lines 30 and 31

Page 4, line 32, delete "description"

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

The question recurred on the Simoneau et al amendment, as amended, to H. F. No. 1655, the fourth engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

The Speaker resumed the Chair.

Cooper moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 20, after line 3, insert:

"Sec. 16. Minnesota Statutes 1990, section 297A.257, subdivision 2, is amended to read:

Subd. 2. [SALES TAX EXEMPTION.] (a) Purchase and use of capital equipment is exempt from the sales and use tax imposed by this chapter if the capital equipment is placed in service in connection with the construction of a new or an expansion of an existing manufacturing facility in a distressed county or in the taconite tax relief area defined in section 273.134. Purchase or use of equipment for use in an existing plant qualifies under this section and section 297A.01, subdivision 16, as an expansion if either:

(1) the production capacity of the plant is increased by at least 20 percent as a result or if the total capital investments made within a 12-month period exceed \$25,000,000; or

(2) it meets the requirements of section 297A.01, subdivision 16.

Purchases of capital equipment are exempt under this section only to the extent that the purchases of capital equipment for the project during the calendar year exceed \$100,000. The county is a distressed county for purposes of this subdivision if it was designated as a distressed county for the time period during which the contract to purchase the equipment was executed.

A county meeting only the criteria in paragraph (a), clause (3), of subdivision 1 is a distressed county for purposes of this subdivision if it was designated as a distressed county for the time period during which sales and use tax on capital equipment purchased became due and payable.

(b) Machinery and equipment qualifies for the exemption under this section, regardless of whether it was purchased by the owner, contractor, subcontractor, or builder."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; authorizing the metropolitan airports commission to operate outside the metropolitan area; establishing an interagency task force; amending Minnesota Statutes 1990, sections 272.01, subdivision 2; 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, subdivision 8a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R.

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 89 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kelso	O'Connor	Schreiber
Anderson, R. H.	Girard	Kinkel	Ogren	Seaberg
Battaglia	Goodno	Knickerbocker	Olsen, S.	Segal
Bauerly	Greenfield	Koppendrayner	Olson, E.	Simoneau
Begich	Hanson	Krueger	Omann	Solberg
Bishop	Hartle	Lieder	Onnen	Sparby
Bodahl	Hasskamp	Limmer	Ozment	Steensma
Boo	Henry	Long	Pellow	Swenson
Brown	Hufnagle	Lourey	Pelowski	Thompson
Carlson	Hugoson	Lynch	Peterson	Tompkins
Carruthers	Jacobs	Macklin	Pugh	Tunheim
Clark	Janezich	McEachern	Reding	Uphus
Cooper	Jaros	McGuire	Rest	Wejcman
Dempsey	Jefferson	Milbert	Rice	Welle
Dille	Jennings	Morrison	Rodosovich	Wenzel
Erhardt	Johnson, A.	Munger	Rukavina	Winter
Frederick	Johnson, V.	Murphy	Sarna	Spk. Vanasek
Frerichs	Kahn	Newinski	Scheid	

Those who voted in the negative were:

Abrams	Dorn	Krinkie	Orfield	Sviggum
Anderson, R.	Farrell	Lasley	Osthoff	Valento
Beard	Gruenes	Leppik	Ostrom	Vellenga
Bertram	Gutknecht	Mariani	Pauly	Wagenius
Bettermann	Haukoos	Marsh	Runbeck	Waltman
Blatz	Hausman	McPherson	Schafer	Weaver
Dauner	Heir	Nelson, S.	Skoglund	Welker
Davids	Johnson, R.	Olson, K.	Smith	
Dawkins	Kalis	Orenstein	Stanius	

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

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

RECESS

RECONVENED

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 700

A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3;

129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

May 18, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 700, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1 GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1990, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

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

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

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

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

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

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4; and

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

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

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the

reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1990, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

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

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) ~~31.0~~ 37.0 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of transition aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 5a. [SUPPLEMENTAL REVENUE.] (a) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a consolidation, the newly created district's 1991-1992 revenue and 1991-1992 actual pupil units are the sum of the 1991-1992 revenue and 1991-1992 pupil units, respectively, of the former districts comprising the new district.

(b) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a dissolution and attachment, a district's 1991-1992 revenue is the revenue of the existing district plus the result of the following calculation:

(1) the 1991-1992 revenue of the dissolved district divided by

(2) the dissolved district's 1991-1992 actual pupil units, multiplied by

(3) the pupil units of the dissolved district in the most recent year before the dissolution allocated to the newly created or enlarged district.

(c) In the case of a dissolution and attachment, the department of education shall allocate the pupil units of the dissolved district to the newly enlarged district based on the allocation of the property on which the pupils generating the pupil units reside.

Sec. 4. Minnesota Statutes 1990, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year;₂ or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as ~~1.35~~ 1.3 pupil units.

Sec. 5. Minnesota Statutes 1990, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. [FISCAL YEAR 1992 AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1992 shall be computed according to this subdivision. In a district in which the number of pupils from families receiving aid to families with dependent children on October 1 of the previous school year according to section 7 equals six percent or more of the actual pupil units in the district for the current school year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 6. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1c. [AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1993 and thereafter must be computed according to this subdivision.

(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; to

(2) the number of pupils in average daily membership according to section 7 enrolled in the district.

(b) The AFDC pupil weighting factor for a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.

(c) The AFDC pupil units for a district for fiscal year 1993 and thereafter equals the product of:

(1) the number of pupils enrolled in the district from families

receiving aid to families with dependent children according to section 7; times

(2) the AFDC pupil weighting factor for the district; times

(3) .65.

Sec. 7. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1d. [AFDC PUPIL COUNTS.] AFDC pupil counts and average daily membership for sections 5 and 6 shall be determined according to this subdivision:

(a) For districts where the number of pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.

(b) For districts that do not meet the requirement of paragraph (a), the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number enrolled in the previous school year and the second previous school year.

Sec. 8. Minnesota Statutes 1990, section 124A.02, subdivision 16, is amended to read:

Subd. 16. [PUPIL UNITS, AFDC.] "AFDC pupil units" for fiscal year 1992 means pupil units identified in section 124.17, subdivision 1b.

"AFDC pupil units" for fiscal year 1993 and thereafter means pupil units identified in section 6.

Sec. 9. Minnesota Statutes 1990, section 124A.02, subdivision 23, is amended to read:

Subd. 23. [TRAINING AND EXPERIENCE INDEX.] "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the

steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

Sec. 10. Minnesota Statutes 1990, section 124A.03, is amended to read:

124A.03 [REFERENDUM LEVY REVENUE.]

Subd. 1b. [REFERENDUM ALLOWANCE.] A district's referendum revenue allowance equals the referendum revenue authority for that year divided by its actual pupil units for that school year.

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1992; or
- (2) 35 percent of the formula allowance for that fiscal year.

Subd. 1d. [SPARSITY EXCEPTION.] A district that qualifies for sparsity revenue under section 124A.22 is not subject to a referendum allowance limit.

Subd. 1e. [TOTAL REFERENDUM REVENUE.] The total referendum revenue for each district equals the district's referendum allowance times the actual pupil units for the school year.

Subd. 1f. [REFERENDUM EQUALIZATION REVENUE.] A district's referendum equalization revenue equals ten percent of the formula allowance times the district's actual pupil units for that year.

Referendum equalization revenue must not exceed a district's referendum revenue allowance times the district's actual pupil units for that year.

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

Subd. 1h. [REFERENDUM EQUALIZATION AID.] (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) For fiscal year 1993, a district's referendum equalization aid is equal to one-third of the amount calculated in clause (a).

(c) For fiscal year 1994, a district's referendum equalization aid is equal to two-thirds of the amount calculated in clause (a).

(d) If a district's actual levy for referendum equalization revenue is less than its maximum levy limit, aid shall be proportionately reduced.

Subd. 1i. [UNEQUALIZED REFERENDUM LEVY.] Each year, a district may levy an amount equal to the difference between its total referendum revenue according to subdivision 1f and its equalized referendum aid and levy according to subdivisions 1g and 1h.

Subd. 2. [REFERENDUM LEVY REVENUE.] (a) The levy revenue authorized by section 124A.23 124A.22, subdivision 2 1, 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. 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 local tax rate revenue per actual pupil unit, the estimated net tax capacity rate in the first year it is to be levied, and that the local tax rate revenue shall be used to finance school operations. The ballot shall designate the specific number of years, not to exceed five, 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 revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, the an amount provided by equal to the approved local tax rate applied to the net tax capacity revenue per actual pupil unit times the actual pupil units for the school year preceeding beginning in the year after 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 referendum 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 revenue 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 tax 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 revenue 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 A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be made received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce a levy referendum revenue 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) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

Sec. 11. Minnesota Statutes 1990, section 124A.04, is amended to read:

124A.04 [TRAINING AND EXPERIENCE INDEX.]

Subdivision 1. [FISCAL YEAR 1992.] The training and experience index for fiscal year 1992 shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes districts take into account in determining each teacher's salary teacher salaries.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

Subd. 2. [1993 AND LATER.] The training and experience index for fiscal year 1993 and later fiscal years must be constructed in the following manner:

(a) The department shall construct a matrix that classifies teachers by the extent of training received in accredited institutions of higher education and by the years of experience that districts take into account in determining teacher salaries.

(b) The average salary for each cell of the matrix must be computed as follows using data from the second year of the previous biennium:

(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of training and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.

(2) Add the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.

(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state. Cells of the matrix in lanes beyond the master's degree plus 30

credits lane must receive the same ratio as the cells in the master's degree plus 30 credits lane.

(d) The index for each district that employs teachers equals the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers is zero.

Sec. 12. Minnesota Statutes 1990, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,838 for fiscal year 1990. The formula allowance for 1992 and subsequent fiscal years is \$2,953 \$3,050.

Sec. 13. Minnesota Statutes 1990, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] (a) For fiscal year 1992, the compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.

(b) For fiscal year 1993 and thereafter, the maximum compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1c.

(c) For fiscal year 1993 and thereafter, the previous formula compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1b.

(d) For fiscal year 1993, the compensatory education revenue for each district equals the district's previous formula compensatory revenue plus one-fourth of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(e) For fiscal year 1994, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus one-half of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(f) For fiscal year 1995, the compensatory education revenue for each district equals the district's previous formula compensatory

education revenue plus three-fourths of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(g) For fiscal year 1996 and thereafter, the compensatory education revenue for each district equals the district's maximum compensatory education revenue.

Sec. 14. Minnesota Statutes 1990, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) For fiscal year 1992, the training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) (1) subtract 1.6 from the training and experience index;

(b) (2) multiply the result in clause (a) (1) by the product of \$700 times the actual pupil units for the school year.

(b) For 1993 and later fiscal years, the maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$575 times the actual pupil units for the school year.

(c) For 1993 and later fiscal years, the previous formula training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-half of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(f) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and

experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 15. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4a. [TRAINING AND EXPERIENCE LEVY.] A district's training and experience levy equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Sec. 16. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4b. [TRAINING AND EXPERIENCE AID.] A district's training and experience aid equals its training and experience revenue minus its training and experience levy times the ratio of the actual amount levied to the permitted levy.

Sec. 17. Minnesota Statutes 1990, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to ~~subdivision~~ subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located ~~20~~ 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 1990, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue for fiscal year 1992 equals the product of the district's supplemental revenue for fiscal year 1991 times the ratio of:

(1) the district's 1991-1992 actual pupil units; to

(2) the district's 1990-1991 actual pupil units adjusted for the change in secondary pupil unit weighting from 1.35 to 1.3 made in section 4.

(b) If a district's minimum allowance exceeds the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per actual pupil unit for a school fiscal year, and the excess is less than \$250 per actual pupil unit, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year. If the amount of the excess is more than \$250 per actual pupil unit, the district shall receive the greater of (1) \$250 times the actual pupil units; or (2) the amount of the excess times the actual pupil units less the sum of (i) the difference between the district's training and experience revenue and its previous formula training and experience revenue; and (ii) the difference between the district's

compensatory education revenue and its previous formula compensatory education revenue.

Sec. 19. Minnesota Statutes 1990, section 124A.22, subdivision 9, is amended to read:

Subd. 9. DEFINITIONS DEFINITION FOR SUPPLEMENTAL REVENUE. (a) The definitions definition in this subdivision apply applies only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(8) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(e) "Minimum allowance" for a district means:

(1) the district's 1987-1988 general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's ~~1987-1988~~ 1991-1992 actual pupil units, ~~adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 308; plus~~

(3) ~~\$143 for fiscal year 1990 and \$258 for subsequent fiscal years.~~

Sec. 20. Minnesota Statutes 1990, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] ~~The general education tax rate for fiscal year 1991 is 26.3 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the general education tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises ~~\$845,000,000 for fiscal year 1992 and \$887,000,000~~ \$916,000,000 for fiscal year 1993 and \$961,800,000 for fiscal year 1994 and subsequent later fiscal years. ~~The general education tax rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.~~

Sec. 21. Minnesota Statutes 1990, section 124A.23, subdivision 4, is amended to read:

Subd. 4. [GENERAL EDUCATION AID.] A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

(2) the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy; ~~and~~

(3) shared time aid according to section 124A.02, subdivision 21;

(4) referendum aid according to section 10; and

(5) debt service equalization aid according to article 5, section 8.

Sec. 22. Minnesota Statutes 1990, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] (a) General education revenue may be used during the regular school year and the summer for general and special school purposes.

(b) General education revenue may not be used:

(1) for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or

(2) for any purpose for which the district may levy according to section 275.126, subdivision 5e.

Sec. 23. Minnesota Statutes 1990, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

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

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

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

Sec. 24. Minnesota Statutes 1990, 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 prior school year exceeds \$600 times the fund balance pupil units in the prior year. For purposes of this subdivision only, fund balance pupil units means the number of resident pupil units in average daily membership enrolled in the district, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, and excluding plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. 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. 25. Minnesota Statutes 1990, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. ~~[GENERAL STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.]~~ (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to ~~\$10~~ \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for peer review under section 125.12 or 125.17 or staff development programs for outcome-based education, according to section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review or outcome-based education activities. The school board shall determine which programs the staff development activities to provide, the manner in which they will be provided, and the extent to which other money local funds may be used for the programs to supplement staff development activities that implement outcome-based education.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61.

Sec. 26. Minnesota Statutes 1990, section 124A.30, is amended to read:

124A.30 [STATEWIDE AVERAGE REVENUE.]

By October 1 of each year the commissioner shall estimate the statewide average general education revenue per actual pupil unit and the range in general education revenue among pupils and districts by computing the difference between the fifth and ninety-fifth percentiles of general education revenue. The commissioner must provide that information to all school districts.

If the disparity in general education revenue as measured by the difference between the fifth and ninety-fifth percentiles increases in any year, the commissioner must propose a change in the general education formula that will limit the disparity in general education revenue to no more than the disparity for the previous school year. The commissioner must submit the proposal to the education committees of the legislature by January 15.

Sec. 27. Minnesota Statutes 1990, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under

section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 2 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection

fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money only for outcome-based learning programs that enhance the academic quality of the district's curriculum. The programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. [MORATORIUM ON REFERENDUM INCREASES.]

A school district or an education district may not conduct an election in 1991 under Minnesota Statutes, section 124A.03, subdivision 2, paragraph (a), or 124B.03, subdivision 2, paragraph (a), for property taxes payable in 1992. An election may be conducted under section 124A.03, subdivision 2, paragraph (c), or 124B.03, subdivision 2, paragraph (e).

Sec. 29. [1991 REFERENDUM APPROVAL.]

(a) Notwithstanding any law to the contrary, the commissioner of education may authorize referendum levy elections under Minnesota Statutes, section 124A.03, or any successor section for 1991 taxes payable in 1992.

(b) The aggregate amount of referendum levies authorized by the commissioner may not exceed \$10,000,000.

(c) A school district that desires to hold an election under Minnesota Statutes, section 124A.03, must submit an application to the commissioner by August 1, 1991.

(d) The commissioner shall prioritize applications and grant authority to hold an election to districts in the following order:

(1) districts that are in statutory operating debt and have an approved plan or have received an extension from the department to file a plan to eliminate the statutory operating debt;

(2) districts that have referendum levy authority expiring in fiscal year 1992 or that have a documented hardship; and

(3) all other districts.

(e) The commissioner must approve, deny, or modify each district's application for referendum levy authority by August 31, 1991.

Sec. 30. [BADGER SCHOOL DISTRICT FUND BALANCE.]

If independent school district No. 676, Badger, receives payment of delinquent property taxes and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance for the following two fiscal years.

Sec. 31. [LEVY RECOGNITION DIFFERENCES.]

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(a) the total amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1992 according to section 1; and

(b) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1992 had the percentage according to section 1 not been increased.

The commissioner shall reduce other aids due the district by the amount of the difference. The total reduction is transferred to the appropriation for general and supplemental education aid in this article.

Sec. 32. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

1,625,240,000 1992

1,725,543,000 1993

The 1992 appropriation includes \$247,302,000 for 1991 and \$1,377,938,000 for 1992.

The 1993 appropriation includes \$257,763,000 for 1992 and \$1,467,780,000 for 1993.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 122.531, subdivision 5, and 124A.02, subdivision 19, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 6; 10, subdivisions 1c, 1f, 1g, and 1h; 15; and 16 are effective July 1, 1992.

Section 26 is effective July 1, 1992, and applies beginning with the 1992-1993 school year.

Sec. 35. [EFFECTIVE DATE.]

Section 17 is effective retroactively to July 1, 1989. Section 18, paragraph (b), is effective for revenue for 1993 and thereafter.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, 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. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

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 under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section 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. 2. Minnesota Statutes 1990, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 3. Minnesota Statutes 1990, section 124.195, subdivision 11, is amended to read:

Subd. 11. [NONPUBLIC AIDS.] The state shall pay aid according to sections 123.931 to 123.947 for pupils attending nonpublic schools by October 31 of each fiscal year. If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay basic transportation aid according to section 124.225, ~~subdivision 8b~~ attributable to pupils attending nonpublic schools by October 31. This subdivision applies to both the final adjustment payment for the prior fiscal year and the payment for the current fiscal year, as established in subdivision 10.

Sec. 4. Minnesota Statutes 1990, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the

schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(i) (1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(ii) (2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(i) (1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(ii) (2) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 5. Minnesota Statutes 1990, section 124.223, subdivision 8, is amended to read:

Subd. 8. [SUMMER INSTRUCTIONAL PROGRAMS.] State transportation aid is authorized for services described in subdivisions 1 to 7, 9, and 10 when provided for handicapped pupils in conjunction with a summer program that meets the requirements of section 124A.27, subdivision 9. State transportation aid is authorized for services described in subdivision 1 when provided during the summer in conjunction with a learning year program established under section 121.585.

Sec. 6. Minnesota Statutes 1990, 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) (c), 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 12-1/2 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 33-1/3 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 as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 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, subdivision 1, that are excluded from the regular category, and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year 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 during the regular school year 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.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for handicapped pupils between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

~~(f)~~ (d) "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)~~ (e) "Current year" means the school year for which aid will be paid.

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

(i) ~~(g)~~ "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~~ paragraph (b) plus the actual cost in the base year for excess transportation as defined in ~~clause~~ paragraph (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)~~ (h) "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) (i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(o) (j) "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) (k) "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) (l) "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 lesser of one or the result in clause (1);

(3) Multiply the district's percentage of regular FTE's transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

(r) (m) "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) (n) "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 5c, 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. 7. Minnesota Statutes 1990, 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 and \$434 for the 1990-1991 base year.

(b) Multiply the result in clause paragraph (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in clause paragraph (b) by the district's contract transportation index raised to the 1/20 power.

Sec. 8. Minnesota Statutes 1990, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] ~~Each district's predicted base cost determined for the 1986-1987 and 1987-1988 base years according to subdivision 3 shall be adjusted as provided in this subdivision to determine the district's adjusted authorized predicted cost per FTE for that year.~~

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

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

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

(d) For the 1988-1989 base year and later years, Each district's predicted base cost determined according to subdivision 3a must be adjusted as provided in this subdivision to determine the district's

adjusted predicted base cost for that year. The adjusted predicted base cost equals 50 percent of the district's base cost plus 50 percent of the district's predicted base cost, but the adjusted predicted base cost cannot be less than 80 percent, nor more than ~~110~~ 105 percent, of the base cost.

Sec. 9. Minnesota Statutes 1990, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] ~~The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 4.1 percent to determine the district's regular transportation allowance for the 1988-1989 school year and by 5.8 percent to determine the district's regular transportation allowance for the 1989-1990 school year. The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by 5.4~~ 4.0 percent to determine the district's regular transportation allowance for the ~~1990-1991~~ 1991-1992 school year and by 2.0 percent to determine the district's regular transportation allowance for the 1992-1993 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 10. Minnesota Statutes 1990, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] ~~Beginning in the 1990-1991 school year, the Transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.~~

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular and, desegregation, and handicapped categories in the current school year.

(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the current 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation category and handicapped categories in the current school year, plus the excess

nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.

(c) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor for the 1992-1993 school year is 1.061.

Sec. 11. Minnesota Statutes 1990, section 124.225, is amended by adding a subdivision to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] (a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.

(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the

district's average daily membership for the current year to the district's average daily membership for the base year.

(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).

Sec. 12. Minnesota Statutes 1990, section 124.225, subdivision 8a, is amended to read:

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

~~(b) For 1990-1991 and later school years, A district's transportation aid equals the product of:~~

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 1990, 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 district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t), under two circumstances, once including the factor specified in subdivision 3a, clause paragraph (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.~~

Sec. 14. Minnesota Statutes 1990, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, paragraph (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the district's transportation revenue under subdivision 7e 7d.

Sec. 15. Minnesota Statutes 1990, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. ~~The basic transportation tax rate for fiscal year 1991 is 2.04 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the basic transportation tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises \$66,700,000 \$64,300,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1992 1994 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 16. Minnesota Statutes 1990, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] (a) ~~In the 1989 and 1990 fiscal years, if the basic transportation levy under subdivision 5 in a district attributable to the fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the second year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.~~

(b) ~~For 1991 and later fiscal years, In a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7e 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the amount of the excess.~~

Sec. 17. Minnesota Statutes 1990, 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 7e 7d, that is more than the product of ~~\$30~~ \$60 times the district's actual pupil units average daily membership, by

(2) ~~60~~ 50 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 net tax capacity of the district for the year before the year the levy is certified by the actual pupil units average daily membership in the district for the school year to which the levy is attributable, to (ii) ~~\$7,258~~ \$8,000.

Sec. 18. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1991 levy for each school district by the amount of the change in the district's nonregular transportation levy for fiscal year 1992 according to Minnesota Statutes, section 275.125, subdivision 5c, resulting from the changes to nonregular transportation revenue and levy under sections 5, 10, 11, and 17. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$116,340,000 1992

\$123,133,000 1993

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

\$1,500,000 in fiscal year 1992 and \$1,000,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514:

\$45,000 1992

\$45,000 1993

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.] For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

\$15,000 1992

\$15,000 1993

Subd. 5. [TRANSFER AUTHORITY.] If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Subd. 6. [TRANSFER AUTHORITY: FISCAL YEAR 1990 APPROPRIATION.] If the appropriation in Laws 1989, chapter 329, article 2, section 8, subdivision 3 or 4 for fiscal year 1990, exceeds the amount needed to pay the state's obligation under that subdivision, the excess amount may be used to make payments under the other subdivision.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 19, subdivision 6, is effective the day following final enactment.

ARTICLE 3 SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause ~~(d)~~ (e) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) (f) The decision of the hearing officer pursuant to clause (d) (e) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer

by the parent, guardian, or the school board of the district where the child resides pursuant to clause ~~(f)~~ (g).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the *rules of the state board*.

~~(f)~~ (g) Any local decision issued pursuant to clauses ~~(d)~~ (e) and ~~(e)~~ (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final independent decision based on an impartial review of the local decision and the entire record within ~~30~~ 60 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

~~(g)~~ (h) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

~~(h)~~ (i) The commissioner of education, ~~having delegated general supervision of special education to the appropriate staff,~~ shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer except for appeals in which:

(1) the commissioner has individual must be knowledgeable and impartial;

(2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;

~~(2)~~ (3) ~~the commissioner has individual must not have been employed as an administrator by the district that is a party to the hearing;~~

~~(3)~~ (4) ~~the commissioner has individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;~~

~~(4)~~ (5) ~~the commissioner has individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;~~

~~(5)~~ (6) ~~the appeal challenges individual must not have substantial involvement in the development of a state or local policy which was developed with substantial involvement of the commissioner; or procedures that are challenged in the appeal;~~

~~(6) the appeal challenges the actions of a department employee or official.~~

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer and

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.

(j) In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(k) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(e) (d) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) (e) Notwithstanding the provisions of clauses (b) and (e) (d), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (e) (d) for providing appropriate educational programs to pupils attending the applicable school.

(e) (f) Notwithstanding the provisions of clauses (b) and (e) (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to

the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section.

Sec. 3. [120.173] [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

Subdivision 1. [COMMISSIONER APPROVAL.] The commissioner of education may approve applications from school districts to provide prevention services as an alternative to special education and other compensatory programs during three school years. A district with an approved program may provide instruction and services in a regular education classroom to eligible pupils. Pupils eligible to participate in the program are low-performing pupils who, based on documented experience, the professional judgment of a classroom teacher, or a team of licensed professionals, would eventually qualify for special education instruction or related services under section 120.17 if the intervention services authorized by this section were unavailable. Pupils may be provided services during extended school days and throughout the entire year.

Subd. 2. [APPLICATION CONTENTS.] The application must set forth:

(1) instructional services available to eligible pupils under section 124.311, subdivision 3, and handicapped pupils under section 120.03;

(2) criteria to select pupils for the program and the assessment procedures to determine eligibility;

(3) involvement in the program of parents of pupils in the program, parent advocates, and community special education advocates;

(4) accounting procedures to document that federal special education money is used to supplement or increase the level of special education instruction and related services provided with state and local revenue, but in no case to supplant the state and local revenue, and that districts are expending at least the amount for special education instruction and related services required by federal law;

(5) the role of regular and special education teachers in planning and implementing the program; and

(6) other information requested by the commissioner.

Subd. 3. [EVALUATION.] The application shall also set forth the review and evaluation procedures to be used by the district addressing at least the following:

- (1) the number of handicapped and nonhandicapped pupils served;
- (2) the impact of the program on the academic progress and social adjustment of the pupils;
- (3) the level of satisfaction teachers, parents, and pupils have with the program;
- (4) the effect of the program on the number of referrals for special education, federal chapter 1, and other programs;
- (5) the amount of time spent by teachers on procedural activities;
- (6) the increased amount of time the pupil is in a regular education classroom; and
- (7) cost implications.

Subd. 4. [REVIEW FOR EXCESS EXPENDITURES.] The commissioner shall review each application to determine whether the personnel, equipment, supplies, residential aid, and summer school are necessary to meet the district's obligation to provide special instruction and services to handicapped children according to section 120.17. The commissioner shall not approve revenue for any expenditures determined to be unnecessary.

Subd. 5. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information described in subdivision 3 and section 124.311, subdivision 7.

Subd. 6. [PUPIL RIGHTS.] A pupil participating in the program must be individually evaluated according to the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to 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. The 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 the program. Notwithstanding rules of the state board of education, a pupil's rights under this section cannot be waived by the state board.

Sec. 4. Minnesota Statutes 1990, section 120.181, is amended to read:

120.181 [TEMPORARY PLACEMENTS FOR CARE AND TREATMENT OF NONHANDICAPPED PUPILS.]

The responsibility for providing instruction and transportation for a nonhandicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined in the following manner:

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district.

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence.

(e) The district of residence shall receive general education aid for the pupil and pay tuition and other instructional costs, excluding transportation costs, to the district providing the instruction. Transportation costs shall be paid by the district providing the transpor-

tation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 5. Minnesota Statutes 1990, section 124.273, subdivision 1b, is amended to read: .

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary, ~~calculated from the date of hire,~~ of one full-time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary, ~~calculated from the date of hire,~~ of one-half of a full-time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of ~~64~~ 55.2 percent of the salary or ~~\$17,000~~ \$15,320. The portion for a ~~part-time or limited-time~~ teacher shall be the lesser of ~~64~~ 55.2 percent of the salary or the product of ~~\$17,000~~ \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 6. Minnesota Statutes 1990, section 124.311, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE SERVICES.] Assurance of mastery revenue must be used to provide direct instructional services to an eligible pupil, or group of eligible pupils, under the following conditions:

(a) Instruction may be provided at one or more grade levels from kindergarten through grade 8. If an assessment of pupils' needs within a district demonstrates that the eligible pupils in grades kindergarten through 8 are being appropriately served, a district may serve eligible pupils in grades 9 through 12.

(b) Instruction must be provided in the usual and customary classroom of the eligible pupil.

(c) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 124.32.

(d) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom, or by presenting the same curriculum:

(1) at a different rate or in a different sequence than it was initially presented;

(2) using different teaching methods or techniques than were used initially; or

(3) using different instructional materials than were used initially.

Sec. 7. Minnesota Statutes 1990, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] (a) Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan.

(b) For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or \$16,727 \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or the product of \$16,727 \$15,700 times the ratio of the person's actual employment to full-time employment.

(c) For the 1992-1993 school year and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is an amount not to exceed the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 8. Minnesota Statutes 1990, section 124.32, subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] The state shall pay aid for summer school programs for handicapped children on the basis of subdivisions 1b, 1d, and 5 for the ~~preceding~~ current school year. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or

modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs.

Sec. 9. [124.321] [SPECIAL EDUCATION LEVY EQUALIZATION REVENUE.]

Subdivision 1. [LEVY EQUALIZATION REVENUE.] Special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable, plus

(4) the alternative delivery levy revenue determined according to section 10, subdivision 4, plus

(5) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

A district that receives alternative delivery levy revenue according to section 10, subdivision 4, shall not receive levy equalization revenue under clause (1) or subdivision 2, clause (1), for the same fiscal year.

Subd. 2. [REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.] (a) For purposes of this section, a special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or

intermediate district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) A special education cooperative or an intermediate district that allocates amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

(c) For purposes of this subdivision, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to 66 percent of salaries paid to instructional aides in either academy minus the amount of state aid and any federal aid, if applicable, paid to either academy for salaries of these instructional aides under sections 124.32, subdivisions 1b and 10, for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(d) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates unreimbursed portions of salaries of instructional aides among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of education on the amount of unreimbursed costs of salaries it allocated to the school districts that assign a child who requires an instructional aide.

Subd. 3. [SPECIAL EDUCATION LEVY.] To receive special education levy revenue, a district may levy an amount equal to the district's special education levy equalization revenue as defined in subdivision 1 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by

the actual pupil units in the district for the school year to which the levy is attributable, to

(2) \$3,540.

Subd. 4. [SPECIAL EDUCATION LEVY EQUALIZATION AID.] A district's special education levy equalization aid is the difference between its special education levy equalization revenue and its special education levy. If a district does not levy the entire amount permitted, special education levy equalization aid must be reduced in proportion to the actual amount levied.

Subd. 5. [PRORATION.] In the event that the special education levy equalization aid for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 10. [124.322] [ALTERNATIVE DELIVERY REVENUE.]

Subdivision 1. [ELIGIBILITY.] A district is eligible for alternative delivery revenue if the commissioner of education has approved the application of the district according to section 3.

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 9, subdivisions 1 and 2, as applicable, multiplied by 1.03. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03.

Subd. 3. [ALTERNATIVE DELIVERY AID.] For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, multiplied by 1.03. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 2, 5, and 10, for the same fiscal year.

Subd. 4. [ALTERNATIVE DELIVERY LEVY REVENUE.] A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, the alternative

delivery levy revenue shall be included under section 9, subdivision 1, for purposes of computing the special education levy under section 9, subdivision 3, and the special education levy equalization aid under section 9, subdivision 4.

Subd. 5. [USE OF REVENUE.] Revenue under this section shall be used to implement the approved program.

Sec. 11. Minnesota Statutes 1990, section 124.332, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district is eligible for individualized learning and development aid if the school board of the district has adopted a district instructor-learner ratio specified by the district's curriculum advisory committee and submits its ratio to the department of education by the April 15, 1990 preceding the year for which the district will receive aid.

Sec. 12. Minnesota Statutes 1990, section 124.332, subdivision 2, is amended to read:

Subd. 2. [AID AMOUNT.] An eligible district shall receive individualized learning and development aid in an amount equal to \$62.25 \$64 for 1991-1992 and \$66 for 1992-1993 and thereafter times the district's average daily membership in kindergarten and grade 1 to grade 2 for the 1991-1992 school year, and in kindergarten to grade 3 for the 1992-1993 school year and thereafter. Aid received under this subdivision must be used only to achieve the district's instructor-learner ratios and prepare and use individualized learning plans for learners in kindergarten and grade 1 the grades for which the district is receiving aid. If the district has achieved and is maintaining the district's instructor-learner ratios, then the district may use the aid to work to improve program offerings throughout the district.

Sec. 13. Minnesota Statutes 1990, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] For 1989-1990 and later school years, A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a school fiscal year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program, and

(2) 50 percent of the general education revenue attributable to

secondary pupils for the number of hours that the pupils are enrolled in that program; and

(b) ~~30~~ 40 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 14. Minnesota Statutes 1990, section 124.573, subdivision 3a, is amended to read:

Subd. 3a. [AID FOR CONTRACTED SERVICES.] In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. ~~For the 1986-1987 school year, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. For the 1987-1988 school year, the state shall pay each district or cooperative center 35 percent of the amount of a contract entered into under this subdivision.~~ The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services.

Sec. 15. Minnesota Statutes 1990, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that ~~school~~ fiscal year for services

rendered in that district or center's secondary vocational education programs for handicapped children.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or ~~\$16,727~~ \$15,700. The portion for a part-time or limited-time person shall be the lesser of ~~60~~ 56.4 percent of the salary or the product of ~~\$16,727~~ \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 16. Minnesota Statutes 1990, section 124.86, is amended to read:

124.86 [STATE REVENUE FOR AMERICAN INDIAN TRIBAL CONTRACT OR GRANT SCHOOLS.]

Subdivision 1. [AUTHORIZATION.] Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of this chapter and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A.

(b) The school must comply with all other state statutes governing independent school districts.

(c) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, in attendance during the fall count week in average daily membership and (b) the number

of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership; and

(4) multiplying the actual pupil units in average daily membership by the lesser of \$1,500 or the result in clause (3).

Subd. 3. [~~LAW~~ WAIVER.] Notwithstanding subdivision 1, paragraphs (a) and (b), a tribal contract or grant school:

(1) is not subject to the Minnesota election law;

(2) has no authority under this section to levy for property taxes, issue and sell bonds, or incur debt; and

(3) may request through its managing tribal organization a recommendation of the state board of education, for consideration of the legislature, that a tribal contract or grant school not be subject to specified statutes related to independent school districts.

Subd. 4. [~~EARLY CHILDHOOD FAMILY EDUCATION REVENUE~~.] A school receiving aid under this section is eligible to receive early childhood family education revenue to provide early childhood family education programs for parents and children who are enrolled or eligible for enrollment in a federally recognized tribe. The revenue equals 1.5 times the statewide average expenditure per participant under section 124.2711, times the number of children and parents participating full time in the program. The program shall comply with section 121.882, except that the school is not required to provide a community education program or establish a community education advisory council. The program shall be designed to improve the skills of parents and promote American Indian history, language, and culture. The school shall make

affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized tribe.

Sec. 17. [125.62] [GRANTS TO PREPARE INDIAN TEACHERS.]

Subdivision 1. [ESTABLISHMENT.] A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to each of the following:

(1) the Duluth campus of the University of Minnesota and independent school district No. 709, Duluth;

(2) Bemidji state university and independent school district No. 38, Red Lake;

(3) Moorhead state university and one of the school districts located within the White Earth reservation; and

(4) Augsburg college and special school district No. 1, Minneapolis.

Subd. 2. [APPLICATION.] To obtain a joint grant, a joint application shall be submitted to the state board of education. The application must be developed with the participation of the parent advisory committee, established according to section 126.51, and the Indian advisory committee at the post-secondary institution. The joint application shall set forth:

(1) the in-kind, coordination, and mentorship services to be provided by the post-secondary institution; and

(2) the coordination and mentorship services to be provided by the school district.

Subd. 3. [REVIEW AND COMMENT.] The state board shall submit the joint application to the Minnesota Indian scholarship committee for review and comment.

Subd. 4. [GRANT AMOUNT.] The state board may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the post-secondary institution, school district, student scholarships, and student loans.

Subd. 5. [INFORMATION TO STUDENT APPLICANTS.] At the time a student applies for a scholarship and loan, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be

acquired and periodically updated by the recipients of the joint grant. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student.

Subd. 6. [ELIGIBILITY FOR SCHOLARSHIPS AND LOANS.] The following Indian people are eligible for scholarships:

(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and

(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform methodology for needs determination.

A person who has actual living expenses in addition to those addressed by the uniform methodology for needs determination may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.

Subd. 7. [LOAN FORGIVENESS.] The loan may be forgiven if the recipient is employed as a teacher, as defined in section 125.12 or 125.17, in an eligible school or program in Minnesota. One-fifth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. The following schools and programs are eligible for the purposes of loan forgiveness:

(1) a school or program operated by a school district;

(2) a tribal contract school eligible to receive aid according to section 124.86;

(3) a head start program;

(4) an early childhood family education program; or

(5) a program providing educational services to children who have not entered kindergarten.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be

deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the state board of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the state board and the joint grant recipients, payments shall be deferred.

The loan forgiveness program, loan deferral, and procedures to administer the program shall be approved by the higher education coordinating board.

Subd. 8. [REVOLVING FUND.] The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the state board of education and shall be used to enable Indian students to participate in the program.

Sec. 18. Minnesota Statutes 1990, section 126.51, subdivision 1a, is amended to read:

Subd. 1a. [RESOLUTION OF CONCURRENCE.] Each year by September 15 and June 15 of each school year December 1, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the school board shall respond, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Sec. 19. [127.281] [EXCLUSION AND EXPULSION OF HANDICAPPED PUPILS.]

When a pupil who has an individual education plan is excluded or expelled under sections 127.26 to 127.39 for misbehavior that is not a manifestation of the pupil's handicapping condition, the district shall provide special education and related services after a period of suspension, if suspension is imposed. The district shall initiate a review of the pupil's individual education plan within ten days of the commencement of an expulsion, exclusion, or a suspension of ten days or more.

Sec. 20. [128B.011] [PINE POINT SCHOOL GOVERNANCE AND STANDARDS.]

Subdivision 1. [GOVERNANCE.] The care, management, and control of Pine Point school is vested in the White Earth reservation tribal council. The council has the same powers and duties as a school board under chapters 120 to 129 and other provisions applicable to school boards. The tribal council may delegate powers and duties for the operation of the school to the Indian education committee. The committee may exercise powers and duties delegated to it.

Subd. 2. [STANDARDS.] The school is a public school providing instruction for pupils in kindergarten through the 8th grade. Instruction shall meet the same standards for instruction as are required for other public schools.

Subd. 3. [COOPERATION WITH SCHOOL DISTRICTS.] If the council determines it cannot adequately provide certain services, the council shall purchase or share services with one or more school districts or other provider for instruction, administration, or other requirements of operating the school, including curriculum, teachers, support services, supervision, administration, financial accounting and reporting, and other instructional and noninstructional programs. The council is encouraged to cooperate with school districts to increase and improve instructional and support services available to the pupils in the school.

Sec. 21. Minnesota Statutes 1990, section 128B.03, is amended by adding a subdivision to read:

Subd. 3a. [STATE REVENUES.] The state shall pay to the council for the support of the school all aids, revenues, and grants available to a school district as though the school were a school district. The aids, revenues, and grants include, but are not limited to, the following:

(1) general education revenue, as defined in section 124A.22, subdivision 1, including at least compensatory revenue;

(2) transportation revenue;

(3) capital expenditure facilities revenue;

(4) capital expenditure equipment revenue;

(5) special education revenue;

(6) limited English proficiency aid;

(7) career teacher aid;

(8) assurance of mastery revenue;

(9) school lunch revenue;

(10) school milk revenue;

(11) health and safety revenue;

(12) Indian language and culture grants;

(13) arts planning grants; and

(14) all other aids, revenues, or grants available to a school district.

If there are eligibility requirements for an aid, revenue, or grant, the requirements shall be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount of the levy shall be zero.

If a school district obtains revenue from the proceeds of a levy, the council shall be deemed to have levied and the state shall pay aid equal to the amount that would have been levied. The amount shall be approved by the commissioner of education.

The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable statute.

Sec. 22. Minnesota Statutes 1990, 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. 23. Minnesota Statutes 1990, section 128B.03, subdivision 5, is amended to read:

Subd. 5. [AUDITS; STATE AUDITOR LAW.] The council must have an audit done annually of the accounts of the ~~experimental~~ school. The audit must be finished within one year after the year for which the audit is made. ~~The council is subject to chapter 6, relating to the state auditor.~~

Sec. 24. Minnesota Statutes 1990, section 128B.03, subdivision 7, is amended to read:

Subd. 7. [INSURANCE.] The council may buy the insurance specified in sections 123.35, subdivision 13, and 123.41. The council must buy insurance to the extent required by chapter 466 and is not liable beyond the extent provided by ~~section 466.12, subdivision 3a~~ chapter 466. The term "average number of pupils" in section 466.12, ~~subdivision 3a~~, means, for this subdivision, the average number of pupils attending the ~~experimental~~ school.

Sec. 25. Minnesota Statutes 1990, section 128B.04, is amended to read:

128B.04 [ALL PUPILS IN AREA ARE RESIDENT PUPILS.]

~~For chapter 120, A pupil in kindergarten through 8th grade who resides within former independent school district No. 25 is a resident pupil of the experimental school attendance area, as if the area were a school district for the purposes of chapter 120. Pupils enrolled in the school may not be counted by independent school district No. 309 for the purposes of receiving revenue according to chapters 120 to 129.~~

Sec. 26. Minnesota Statutes 1990, section 128B.05, subdivision 2, is amended to read:

Subd. 2. [COUNCIL TEACHERS ARE UNIT.] Teachers employed by the council are employees of the ~~experimental school council~~ and are an "appropriate unit" or a "unit" under chapter 179A, notwithstanding section 179A.03, subdivision 2.

Sec. 27. Minnesota Statutes 1990, section 128B.05, subdivision 3, is amended to read:

Subd. 3. [DISTRICT 309 TEACHERS.] Teachers employed by the school board of independent school district No. 309 who are assigned

by the board to the ~~experimental~~ school remain employees of the board.

Sec. 28. Minnesota Statutes 1990, section 128B.06, subdivision 1, is amended to read:

Subdivision 1. [EDUCATION CODE.] The management of the ~~experimental~~ school by the council is governed by the education code and other law affecting ~~public~~ school districts.

Sec. 29. Minnesota Statutes 1990, section 128B.08, is amended to read:

128B.08 [REPORTS TO LEGISLATURE.]

Before December 1 of each year the council must submit a report to the legislature on the ~~experimental~~ school established by this chapter. The report must document the success or failure of the ~~experimental~~ school.

Sec. 30. Minnesota Statutes 1990, section 128B.09, is amended to read:

128B.09 [~~END OF EXPERIMENT; TRANSFER BACK TO DISTRICT 309.~~]

At any time before July 1, 1991, the experimental status of The school may be ended on closed by unanimous vote of the officers of the tribal council and 30 days' notice to the school board of independent school district No. 309 effective June 30 of any year. Then The school board of independent school district No. 309 must resume management of the entire district shall assume responsibility for the pupils in the school on the next July 1.

Sec. 31. Minnesota Statutes 1990, section 128B.10, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION.] This chapter is repealed July 1, 1991 1993.

Sec. 32. Minnesota Statutes 1990, section 128B.10, subdivision 2, is amended to read:

Subd. 2. [STATE AUDIT.] The state auditor shall conduct an audit of the school's finances for each even-numbered fiscal years 1989 and 1990 year without charge to the school. A preliminary or, if completed, a final The report for fiscal year 1989 of each audit shall be submitted by February 16, 1990, to the White Earth reservation tribal council, the Pine Point Indian education committee, and the

commissioner of education committees of the legislature, and the legislative reference library.

Sec. 33. [CAPITAL EXPENDITURE REVENUE TRANSFER.]

Independent school district No. 309, Park Rapids, shall pay to the White Earth reservation tribal council capital expenditure facilities revenue and capital expenditure equipment revenue that the school district received as a result of including the pupils enrolled in Pine Point school in the school district's pupil count for those revenues. By June 30, 1991, Park Rapids shall pay the amount attributable to fiscal years 1988, 1989, 1990, and 1991. The amounts attributable to fiscal years before 1988 shall be paid according to a schedule agreed upon by the tribal council and the school board. The amounts to be paid shall reflect total revenue and not state aid.

Upon request of the tribal council or the school district, the amounts to be paid shall be approved by the state board of education.

Sec. 34. [STATE AUDITOR'S BILLING FOR PINE POINT SCHOOL.]

The state auditor may not bill the White Earth tribal council or the Pine Point Indian education committee for the costs or expenses of audits conducted of the school's finances for fiscal years 1989 and 1990. Any bills for the audits shall not be paid by the tribal council or the Indian education committee.

Sec. 35. [ESTABLISHMENT OF REVOLVING FUND AND APPLICABILITY OF LOAN REPAYMENTS.]

All loan repayments made by a person according to Laws 1989, chapter 329, article 3, section 22, shall be deposited in the Indian teacher preparation loan repayment revolving fund by the commissioner of finance.

Sec. 36. [1992 SPECIAL EDUCATION LEVY ADJUSTMENT.]

A district's maximum special education levy for fiscal year 1992 equals the district's special education levy revenue for fiscal year 1992 according to the provisions in this article for special education levy equalization revenue. A district may levy for taxes payable in 1992 an amount equal to the difference between its maximum special education levy for fiscal year 1992 and the amount it levied for taxes payable in 1991 under Minnesota Statutes 1990, section 275.125, subdivision 8c. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

Sec. 37. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.]

Notwithstanding Minnesota Statutes, section 124.332, subdivision 1, a district may submit its instructor learner ratio to the commissioner for the 1991-1992 school year by August 1, 1991.

Sec. 38. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete each term in column A and insert the term in column B wherever the terms in column A appear within the education code.

<u>Column A</u>	<u>Column B</u>
<u>Handicapped children</u>	<u>Children with a disability</u>
<u>Handicapping conditions</u>	<u>Disabling conditions</u>
<u>Handicapped pupil</u>	<u>Pupil with a disability</u>
<u>Nonhandicapped pupil</u>	<u>Pupil without a disability</u>
<u>Nonhandicapped children</u>	<u>Children without a disability</u>
<u>Handicapped student</u>	<u>Pupil with a disability</u>
<u>Handicapped child</u>	<u>Child with a disability</u>
<u>Children with handicaps</u>	<u>Children with disabilities</u>
<u>Handicapped youth</u>	<u>Youth with a disability</u>
<u>Handicapped individuals</u>	<u>Individuals with a disability</u>

Sec. 39. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 124.32:

\$167,105,000 1992

\$167,238,000 1993

The 1992 appropriation includes \$24,996,000 for 1991 and \$142,109,000 for 1992.

The 1993 appropriation includes \$25,078,000 for 1992 and \$142,160,000 for 1993.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$395,000 1992

\$436,000 1993

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$4,885,000 1992

\$4,865,000 1993

The 1992 appropriation is for 1991 summer programs.

The 1993 appropriation is for 1992 summer programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$66,000 1992

\$71,000 1993

The 1992 appropriation includes \$7,000 for 1991 and \$59,000 for 1992.

The 1993 appropriation includes \$10,000 for 1992 and \$61,000 for 1993.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid under aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$2,315,000 1992

\$2,535,000 1993

Subd. 7. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$3,853,000 1992

\$3,994,000 1993

The 1992 appropriation includes \$512,000 for 1991 and \$3,341,000 for 1992.

The 1993 appropriation includes \$589,000 for 1992 and \$3,405,000 for 1993.

Subd. 8. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1992

\$857,000 1993

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000 1992

\$590,000 1993

The 1992 appropriation includes \$89,000 for 1991 and \$502,000 for 1992.

The 1993 appropriation includes \$88,000 for 1992 and \$502,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [SECONDARY VOCATIONAL; PUPILS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,691,000 1992

\$4,652,000 1993

The 1992 appropriation includes \$729,000 for 1991 and \$3,962,000 for 1992.

The 1993 appropriation includes \$699,000 for 1992 and \$3,953,000 for 1993.

Subd. 11. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,410,000 1992

\$12,784,000 1993

The 1992 appropriation includes \$1,751,000 for 1991 and \$10,659,000 for 1992.

The 1993 appropriation includes \$1,881,000 for 1992 and \$10,903,000 for 1993.

Subd. 12. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$11,325,000 1992

\$15,892,000 1993

The 1992 appropriation includes \$1,068,000 for 1991 and \$10,257,000 for 1992.

The 1993 appropriation includes \$1,810,000 for 1992 and \$14,082,000 for 1993.

Subd. 13. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to section 9:

\$9,215,000 1993

This appropriation is based on a formula entitlement of \$10,841,000.

Subd. 14. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,600,000 1992

\$1,600,000 1993

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Subd. 15. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts:

\$175,000 1992

\$175,000 1993

The 1992 appropriation includes \$26,000 for 1991 and \$149,000 for 1992.

The 1992 appropriation includes \$26,000 for 1992 and \$149,000 for 1993.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts shall be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

Before a district or school can receive money under this subdivision, the district or school must submit to the commissioner of education evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 16. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:

\$190,000 1992

\$190,000 1993

Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

Subd. 17. [TRIBAL CONTRACT SCHOOLS.]

For tribal contract school aid according to Minnesota Statutes, section 124.86:

\$600,000 1992

\$600,000 1993

Subd. 18. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] For early childhood family education programs at tribal contract schools:

\$68,000 1992

\$68,000 1993

Subd. 19. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573:

\$11,452,000 1992

\$11,977,000 1993

The 1992 appropriation includes \$1,758,000 for 1991 and \$9,694,000 for 1992.

The 1993 appropriation includes \$1,710,000 for 1992 and \$10,267,000 for 1993.

Subd. 20. [COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.] For grants throughout the state to develop programs to provide education-to-community living services for youths with disabilities:

\$500,000 1992

The appropriation shall be available until June 30, 1993.

Sec. 40. [REPEALER.]

Minnesota Statutes 1990, sections 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; and 275.125, subdivision 8c, are repealed.

Sec. 41. [EFFECTIVE DATE.]

Section 9 is effective for revenue for fiscal year 1993 and thereafter. Section 17, subdivision 8, is effective the day following final enactment.

ARTICLE 4

COMMUNITY SERVICES

Section 1. Minnesota Statutes 1990, 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 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;
and

(5) integration of youth community service with elementary and secondary 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. 2. Minnesota Statutes 1990, section 121.88, subdivision 10, is amended to read:

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

(1) adult supervised programs while school is not in session;

(2) parental involvement in program design and direction;

(3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and

(4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The school board of the district shall develop standards for school age child care programs. Districts with programs in operation before July 1, 1990, must adopt standards before October 1, 1991. All other districts must adopt standards within one year after the district first offers services under a program authorized by this subdivision. The state board of education may not adopt rules for extended day programs.

Sec. 3. Minnesota Statutes 1990, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

- (1) programs to educate parents about the physical, mental, and emotional development of children;
- (2) programs to enhance the skills of parents in providing for their children's learning and development;
- (3) learning experiences for children and parents;
- (4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- (5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;
- (6) educational materials which may be borrowed for home use;
- (7) information on related community resources; or
- (8) other programs or activities to improve the health, development, and learning readiness of children.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 4. Minnesota Statutes 1990, section 121.882, subdivision 6, is amended to read:

Subd. 6. [COORDINATION.] A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

A district is encouraged to coordinate adult basic education programs provided to parents and early childhood family education programs provided to children to accomplish the goals of section 124C.61.

Sec. 5. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 7a. [ALTERNATIVE COUNCIL.] A school board may direct the community education council, required according to section 121.88, subdivision 2, to perform the functions of the advisory council for early childhood family education.

Sec. 6. Minnesota Statutes 1990, section 123.702, is amended to read:

123.702 [SCHOOL BOARD RESPONSIBILITIES.]

Subdivision 1. Every school board shall provide for a ~~voluntary~~ mandatory program of early childhood ~~health and developmental~~ screening for children once before entering kindergarten who are four years old and older but who have not entered kindergarten or first grade in a public school. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. ~~No school board may make~~ This screening examination is a mandatory prerequisite to ~~enroll~~ enrolling a student in kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool ~~health~~ developmental screening programs by utilizing volunteers in implementing the program.

Subd. 1a. A child must not be enrolled in this state in a public school until the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening. If

a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Subd. 1a 1b. A screening program shall include at least the following components ~~to the extent the school board determines they are financially feasible~~: developmental assessments, hearing and vision screening or referral, review of health history and immunization status review and referral, and assessments of height and weight review of any special family circumstances that might affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. All screening components shall be consistent with the standards of the state commissioner of health for early ~~and periodic developmental screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component.~~ No developmental screening program shall provide laboratory tests, a health history or a physical examination to any child ~~who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months.~~ The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test, health history or physical examination within the 12 months preceding a child's scheduled screening ~~clinic.~~ If a child is without health coverage, the school district shall refer the child to an appropriate health care provider. A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, and laboratory tests. State aid shall not be paid for additional components.

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, the child's parents shall be notified of the condition and the school board shall ensure that an appropriate follow-up and referral process is available; ~~in accordance with procedures established pursuant to section 123-703, subdivision 1.~~

Subd. 3. The school board shall ~~actively encourage participation~~ inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening before enrolling in kindergarten or first grade in a public school.

Subd. 4. ~~Every~~ A school board ~~shall~~ may contract with or purchase service from an approved early ~~and periodic developmental screening~~ program in the area ~~wherever possible.~~ Developmental screening must be conducted by an individual who is licensed as, or has the training equal to, a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public

health nurse, registered nurse, or physician. The individual may be a volunteer.

Subd. 4a. The school district shall provide the parent or guardian of the child screened with a record indicating the month and year the child received developmental screening and the results of the screening. The district shall keep a duplicate copy of the record of each child screened.

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 123.702 to 123.704 123.705 wherever possible.

~~Subd. 6. A school board may contract with health care providers to operate the screening programs and shall consult with local societies of health care providers.~~

~~Subd. 7. In selecting personnel to implement the screening program, the school district shall give priority first to qualified volunteers and second to other persons possessing the minimum qualifications required by the rules adopted by the state board of education and the commissioner of health.~~

Sec. 7. [123.7045] [DEVELOPMENTAL SCREENING AID.]

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702.

Sec. 8. Minnesota Statutes 1990, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] To receive aid under this section, a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;

- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Adult basic education programs may be approved under this subdivision for up to two years. Two-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and experimental learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational

education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 9. Minnesota Statutes 1990, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic ~~and continuing~~ education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic ~~and continuing~~ education programs. In no case shall federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Sec. 10. [124.2601] [ADULT BASIC EDUCATION REVENUE.]

Subdivision 1. [FULL-TIME EQUIVALENT.] In this section "full-time equivalent" means 408 contact hours for a student at the adult secondary instructional level and 240 contact hours for a student at a lower instructional level. "Full-time equivalent" for an English as a second language student means 240 contact hours.

Subd. 2. [PROGRAMS FUNDED.] Adult basic education programs established under section 124.26 and approved by the commissioner are eligible for revenue under this section.

Subd. 3. [AID.] Adult basic education aid for each district with an eligible program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Subd. 4. [LEVY.] A district with an eligible program may levy an amount not to exceed the amount raised by .21 percent times the adjusted tax capacity of the district for the preceding year.

Subd. 5. [REVENUE.] Adult basic education revenue is equal to the sum of a district's adult basic education aid and its adult basic education levy.

Subd. 6. [AID GUARANTEE.] Any adult basic education program that receives less state aid under subdivision 3 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Subd. 7. [PRORATION.] If the total appropriation for adult basic education aid is insufficient to pay all districts the full amount of aid earned, the department of education shall proportionately reduce each district's aid.

Sec. 11. [124.2605] [GED TEST FEES.]

The commissioner of education shall pay 60 percent of the costs of a GED test taken by an eligible individual.

Sec. 12. Minnesota Statutes 1990, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Subdivision 1. [AID ELIGIBILITY.] Adult high school graduation aid for eligible pupils age 21 or over, equals 65 percent of the general education formula allowance times 1.35 1.30 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Pupils age 21 or over may not be counted by the district for any purpose other than adult high school graduation aid.

Subd. 2. [AID FOLLOWS PUPIL.] Adult high school graduation aid accrues to the account and the fund of the eligible programs, under section 126.22, subdivision 3, that serve adult diploma students.

Sec. 13. Minnesota Statutes 1990, section 124.2711, is amended to read:

124.2711 [EARLY CHILDHOOD FAMILY EDUCATION AID REVENUE.]

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 preceeding 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 \$96.50 for fiscal year 1992 or \$101.25 for fiscal year 1993 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.

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 district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the 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.

Subd. 2a. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of .596 percent times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) the difference between the ~~maximum~~ early childhood family education revenue, ~~according to subdivision 1,~~ and the ~~permitted~~ early childhood family education levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, ~~according to section 275.125, subdivision 8b.~~

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. If the district does not levy the entire amount permitted, the early childhood family education aid shall be reduced in proportion to the actual amount levied.

Subd. 4. [USE OF REVENUE RESTRICTED.] ~~The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall~~ Early childhood family education revenue may be used only for early childhood family education programs. Not more than five percent of early childhood family education revenue may be used to administer early childhood family education programs. The increase in revenue for fiscal years 1992 and 1993 shall be used to:

(1) increase participation of families so that the total participation in early childhood family education programs in the district more nearly reflects the demographic, racial, cultural, and ethnic diversity of the district; and

(2) provide programs for families who, because of poverty and other barriers to learning, may need programs designed to meet their needs.

Sec. 14. Minnesota Statutes 1990, section 124.2713, subdivision 1, is amended to read:

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a district's general community education revenue, ~~youth development plan revenue,~~ and youth service program revenue.

Sec. 15. Minnesota Statutes 1990, section 124.2713, subdivision 3, is amended to read:

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] ~~For fiscal year 1991 and thereafter,~~ The general community education revenue for a district equals \$5.95 times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Sec. 16. Minnesota Statutes 1990, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 75 cents for fiscal year 1992 and 85 cents for fiscal year 1993 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 17. Minnesota Statutes 1990, 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

tax rate of 1.07 percent for fiscal year 1992 and 1.095 percent for fiscal year 1993 and thereafter, 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. 18. Minnesota Statutes 1990, section 124.2713, subdivision 9, is amended to read:

Subd. 9. [USE OF YOUTH SERVICE REVENUE.] Youth development service revenue may be used only to implement the a youth development plan approved by the school board. ~~Youth service revenue may be used only and to provide a youth service program according to section 121.88, subdivision 9.~~

Sec. 19. Minnesota Statutes 1990, section 124C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have ~~16~~ 20 to ~~18~~ 22 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

(1) one member appointed by the commissioner of the state planning agency;

(2) one member appointed by the commissioner of jobs and training;

(3) one member appointed by the commissioner of human services;

(4) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;

(5) one member appointed by the commissioner of corrections;

(6) one member appointed by the commissioner of education;

(7) one member appointed by the chancellor of the state board of technical colleges;

(8) one member appointed by the chancellor of community colleges;

(9) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of the state planning agency;

(10) one member appointed by the council on Black Minnesotans;

(11) one member appointed by the Spanish-speaking affairs council;

(12) one member appointed by the council on Asian-Pacific Minnesotans;

(13) one member appointed by the Indian affairs council; and

(14) one member appointed by the disability council.

~~Up to four additional members of the council may be nominated by the participating agencies.~~ Based on the council's recommendations, the commissioner of the state planning agency must appoint at least ~~two~~ six, but not more than ~~four~~ eight, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Sec. 20. Minnesota Statutes 1990, section 126.22, subdivision 2, is amended to read:

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

(a) any pupil who is between the ages of 12 and 16, except as indicated in clause (6), 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 satisfactorily completing coursework or 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 fewer 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.

(e) an elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.

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. 21. Minnesota Statutes 1990, 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), (d), or (e), may enroll in any program approved by the state board of education under

Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, 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), (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), (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 A pupil who is eligible institution providing eligible programs as defined in this under~~ subdivision 2, clause (c) or (d), may contract with an entity providing enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88 for actual program costs.

Sec. 22. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), (b), or (c), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 23. Minnesota Statutes 1990, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil under subdivision 2 may apply to enroll in an eligible program under subdivision 3, ~~using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752,~~ Approval of the resident district is not required for:

(1) ~~an eligible pupil under subdivision 2 to enroll in a nonresident district that has an~~ any eligible program in a nonresident district

under subdivision 3 or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, clause (c) or (d), to enroll in an adult basic education program approved under section 124.26.

Sec. 24. Minnesota Statutes 1990, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] For a pupil attending an eligible program ~~full time~~ under subdivision 3, paragraph (d), the department of education shall pay ~~85 88~~ percent of the basic revenue of the district to the eligible program and ~~15 12~~ percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. ~~For a pupil attending an eligible program part time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly.~~ A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.

Sec. 25. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 9. [SEVERABILITY.] If for any reason any portion of this section is found by a court to be unconstitutional, the remaining portions of the section shall remain in effect.

Sec. 26. Minnesota Statutes 1990, section 145.926, is amended to read:

145.926 [WAY TO GROW/SCHOOL READINESS PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The commissioner of state planning shall administer the way to grow/school readiness program, in ~~consultation~~ collaboration with the commissioners of health, human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age ~~five~~ six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Subd. 2. [PROGRAM COMPONENTS.] (a) A way to grow/school readiness program must:

(1) collaborate and coordinate delivery of services with other community organizations and agencies serving children prebirth to age six and their families;

(2) target services to families with children prebirth to age six with services increasing based on need;

(3) build on existing services and coordinate a continuum of prebirth to age six essential services, including but not limited to prenatal health services, parent education and support, and pre-school programs;

(4) provide strategic outreach efforts to families using trained paraprofessionals such as home visitors; and

(5) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children.

(b) A way to grow/school readiness program may include:

(1) a program of home visitors to contact pregnant women early in their pregnancies, encourage them to obtain prenatal care, and provide social support, information, and referrals regarding prenatal care and well-baby care to reduce infant mortality, low birth weight, and childhood injury, disease, and disability;

(2) a program of home visitors to provide social support, information, and referrals regarding parenting skills and to encourage families to participate in parenting skills programs and other family supportive services;

(3) support of neighborhood-based or community-based parent-child and family resource centers or interdisciplinary resource teams to offer supportive services to families with preschool children;

(4) staff training, technical assistance, and incentives for collaboration designed to raise the quality of community services relating to prenatal care, child development, health, and school readiness;

(5) programs to raise general public awareness about practices that promote healthy child development and school readiness;

(6) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the

~~information, resources, and parenting skills needed to nurture and care for their children;~~

~~(7)~~ programs to expand public and private collaboration to promote the development of a coordinated and culturally specific system of services available to all families;

~~(8)~~ (7) support of periodic screening and evaluation services for preschool children to assure adequate developmental progress;

~~(9)~~ (8) support of health, educational, and other developmental services needed by families with preschool children;

~~(10)~~ (9) support of family prevention and intervention programs needed to address risks of child abuse or neglect;

~~(11)~~ (10) development or support of a jurisdiction-wide coordinating agency to develop and oversee programs to enhance child health, development, and school readiness with special emphasis on neighborhoods with a high proportion of children in need; and

~~(12)~~ (11) other programs or services to improve the health, development, and school readiness of children in target neighborhoods and communities.

Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant may be submitted by any of the following entities:

(1) a city, town, county, school district, or other local unit of government;

(2) two or more governmental units organized under a joint powers agreement;

(3) a community action agency that satisfies the requirements of section 268.53, subdivision 1; or

(4) a nonprofit organization, or consortium of nonprofit organizations, that demonstrates collaborative effort with at least one unit of local government.

Subd. 4. [PILOT PROJECTS DISTRIBUTION.] The commissioner of state planning shall ~~award grants for one pilot project in each of the following areas of the state:~~

~~(1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;~~

~~(2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;~~

(3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(4) the area of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2 give priority to funding existing programs at their current levels.

To the extent possible, the commissioner of state planning shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of state planning. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the

impact of the program in terms of at least three of the following criteria:

- (i) utilization rates of community services;
- (ii) availability of support systems for families;
- (iii) birth weights of newborn babies;
- (iv) child accident rates;
- (v) utilization rates of prenatal care;
- (vi) reported rates of child abuse; and
- (vii) rates of health screening and evaluation; and

(viii) school readiness of way to grow participants compared to nonparticipants.

Subd. 6. [MATCH.] Each dollar of state money must be matched with 50 cents of nonstate money. ~~The pilot project selected under subdivision 4, clause (4);~~ Programs may match state money with in-kind contributions, including volunteer assistance.

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of state planning shall establish a program advisory committee consisting of persons knowledgeable in child development, child health and family services, ~~and the needs of people of color and high risk populations who reflect the geographic, cultural, racial, and ethnic diversity of the state;~~ and representatives of the commissioners of state planning ~~and~~ education, human services, and health. This program advisory committee shall review grant applications, assist in distribution of the grants, and monitor progress of the way to grow/school readiness program. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Subd. 8. [REPORT.] ~~The commissioner of state planning shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section. The advisory committee shall report to the education committee of the legislature by January 15, 1993, on the evaluation required in subdivision 5, clause (6), and shall make recommendations for establishing successful way to grow programs in unserved areas of the state.~~

Sec. 27. [REPORT REQUIRED.]

School districts contracting with a nonprofit, nonpublic school must prepare for the department of education a report describing the nonsectarian educational services provided to eligible pupils under Minnesota Statutes, section 126.22, subdivision 3a. The department shall report to the education committees of the legislature at the end of each school year on districts' experiences in contracting.

Sec. 28. [COMMISSIONER OF EDUCATION TO ESTABLISH ELIGIBILITY STANDARDS.]

The commissioner of education shall establish standards to determine the eligibility of an individual to take a GED test at a reduced cost. The standards shall be established without rulemaking under Minnesota Statutes, chapter 14. The standards shall include the following:

(1) the individual shall have resided in Minnesota at least 90 days;

(2) the individual is not currently enrolled in a program leading to a high school diploma; and

(3) the individual shall not take more than three tests at a reduced cost.

Sec. 29. [EXPIRATION.]

Minnesota Statutes, section 126.22, subdivision 3a, expires July 1, 1993.

Sec. 30. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26 in fiscal year 1992 and 124.2601 in fiscal year 1993:

\$5,902,000 1992

\$6,069,000 1993

The 1992 appropriation includes \$761,000 for 1991 and \$5,141,000 for 1992.

The 1993 appropriation includes \$907,000 for 1992 and \$5,162,000 for 1993.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

\$670,000 1992

\$670,000 1993

Any balance in the first year does not cancel and is available for the second year.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:

\$3,636,000 1992

\$3,464,000 1993

The 1992 appropriation includes \$498,000 for 1991 and \$3,138,000 for 1992.

The 1993 appropriation includes \$552,000 for 1992 and \$2,912,000 for 1993.

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$12,856,000 1992

\$12,624,000 1993

The 1992 appropriation includes \$1,549,000 for 1991 and \$11,307,000 for 1992.

The 1993 appropriation includes \$1,996,000 for 1992 and \$10,628,000 for 1993.

Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 123.702 and 123.7045:

\$1,489,000 1992

\$1,607,000 1993

The 1992 appropriation includes \$86,000 for 1991 and \$1,403,000 for 1992.

The 1993 appropriation includes \$247,000 for 1992 and \$1,360,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 1992

\$70,000 1993

Subd. 8. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,331,000 1992

\$1,364,000 1993

The 1992 appropriation includes \$171,000 for 1991 and \$1,160,000 for 1992.

The 1993 appropriation includes \$204,000 for 1992 and \$1,160,000 for 1993.

Subd. 9. [GED TESTS.] For payment of 60 percent of the costs of GED tests:

\$180,000 1993

Subd. 10. [EVALUATION OF BASIC SKILLS PROGRAMS.] For continuing an independent statewide evaluation of basic skills programs:

\$75,000 1992

This appropriation is available until June 30, 1993. The commissioner shall contract with an organization that is not connected with the delivery system.

Subd. 11. [GED AND LEARN TO READ ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

\$100,000 1992

\$100,000 1993

The department may contract for these services.

Up to \$10,000 of this appropriation for each fiscal year is available to contract for these services.

Sec. 31. [APPROPRIATION.]

Subdivision 1. [STATE PLANNING AGENCY.] The sums indicated in this section are appropriated from the general fund to the state planning agency for the fiscal years designated.

Subd. 2. [WAY TO GROW.] For grants for way to grow programs according to Minnesota Statutes, section 145.926:

\$950,000 1992

This appropriation is available until June 30, 1993.

Sec. 32. Laws 1989, chapter 329, article 4, section 20, is amended to read:

Sec. 20. [REPEALER.]

Minnesota Statutes 1988, sections 123.703; 123.705; 124.271, subdivisions 2b, 3, 4, and 7; 129B.48; and 275.125, subdivision 8, are repealed July 1, 1989. Section 12, subdivision 3a, is repealed July 1, 1990. ~~Minnesota Statutes, sections 123.702 and 123.704, and~~ Section 5, subdivision 3a, ~~are~~ is repealed July 1, ~~1993~~ 1992. Section 15 is repealed June 30, 1995.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 123.706 and 123.707, are repealed.

Minnesota Statutes 1990, sections 124.2713, subdivision 4; and 275.125, subdivision 8b, are repealed. Minnesota Statutes 1990, section 124.26, subdivision 8, is repealed effective July 1, 1991. Minnesota Statutes 1990, section 124.26, subdivision 7, is repealed effective July 1, 1992.

Sec. 34. [EFFECTIVE DATE.]

Section 10, subdivision 4, is effective July 1, 1991. Section 10,

subdivisions 1, 2, 3, 5, 6, and 7, are effective July 1, 1992.
Reimbursements according to section 11 are available July 1, 1992.

ARTICLE 5

FACILITIES AND EQUIPMENT

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 1, is amended to read:

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.

The commissioner may submit a negative review and comment for a project if the district has not submitted its capital facilities plan required under section 124.243, subdivision 1, to the commissioner.

Sec. 2. Minnesota Statutes 1990, 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; and a description of the telephone capabilities of the facility and its classrooms;

(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, other public or private 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;

(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area; and

(k) the effects of the proposed facility on the district's operating budget.

Sec. 3. Minnesota Statutes 1990, section 121.15, subdivision 9, is amended to read:

Subd. 9. [PUBLICATION.] At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility described in subdivision 6, for a project that has received a positive or unfavorable review and comment under section 121.148, the school board shall publish the commissioner's review and comment of that project in the legal newspaper of the district. Supplementary information shall be available to the public.

Sec. 4. Minnesota Statutes 1990, section 121.155, is amended to read:

121.155 [JOINT POWERS AGREEMENTS FOR EDUCATIONAL FACILITIES.]

Subdivision 1. [INSTRUCTIONAL FACILITIES.] Any group of districts may form a joint powers district under section 471.59 representing all participating districts to build or acquire a facility to be used for instructional purposes. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the 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. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on

the question vote in the affirmative and only after the school boards of each member district have adopted a resolution pledging the full faith and credit of that district. The resolution shall irrevocably commit that district to pay a proportionate share, based on pupil units, of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The district's payment of its proportionate share of the shortfall shall be made from the district's capital expenditure fund. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Subd. 2. [SHARED FACILITIES.] A group of governmental units may form a joint powers district under section 471.59 representing all participating units to build or acquire a facility. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the 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. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the boards of each member unit have adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed upon share of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Sec. 5. Minnesota Statutes 1990, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.271, subdivision 7; school lunch aid, according to section 124.646; tribal contract school aid, according to section 124.85; hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; and integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 6. Minnesota Statutes 1990, 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) \$7,193.60 for fiscal year 1991 and \$5,304 for 1992 and later fiscal years \$3,515.

Sec. 7. [124.84] [HANDICAPPED ACCESS AND FIRE SAFETY IMPROVEMENTS TO SCHOOL BUILDINGS.]

Subdivision 1. [REMOVAL OF ARCHITECTURAL BARRIERS.] If a school board has insufficient money in its capital expenditure fund to remove architectural barriers from a building it owns in order to allow a pupil to attend a school in the pupil's attendance area or to meet the needs of an employee with a disability, a district may submit an application to the commissioner of education containing at least the following:

(1) program modifications that the board considered, such as relocating classrooms, providing an accessible unisex bathroom, providing alternative library resources, or using special equipment, such as bookcarts, and the reasons the modifications were not feasible;

(2) a description of the proposed building modifications and the cost of the modifications; and

(3) the age and market value of the building.

Individuals developing an application for a school district shall complete a workshop, developed jointly by the commissioner of education and the council on disability, about access criteria.

In consultation with the council on disability, the commissioner shall develop criteria to determine the cost effectiveness of removing barriers in older buildings.

The commissioner shall approve or disapprove an application within 60 days of receiving it.

Subd. 2. [FIRE SAFETY MODIFICATIONS.] If a school district has insufficient money in its capital expenditure fund to make modifications to a school building required by a fire inspection

conducted according to section 121.1502, the district may submit an application to the commissioner of education containing information required by the commissioner. The commissioner shall approve or disapprove of the application according to criteria established by the commissioner. The criteria shall take into consideration the cost effectiveness of making modifications to older buildings.

Subd. 3. [LEVY AUTHORITY.] The district may levy up to \$150,000 each year for two years, as approved by the commissioner.

Sec. 8. [124.95] [DEBT SERVICE EQUALIZATION PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district, including the amounts necessary for repayment of energy loans according to section 216C.37, debt service loans and capital loans, minus

(2) the amount of any surplus remaining in the debt service fund when the obligations and interest on them have been paid.

Subd. 2. [ELIGIBILITY.] To be eligible for debt service equalization revenue, the following conditions must be met:

(1) the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district;

(2) for bond issues approved after July 1, 1990, the construction project must have received a positive review and comment according to section 121.15;

(3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and

(4) the bond schedule must be approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of 12 percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted 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 year to which the levy is attributable; or

(2) the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Subd. 5. [DEBT SERVICE EQUALIZATION AID.] A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. A district's debt service equalization aid must not be prorated.

Subd. 6. [DEBT SERVICE EQUALIZATION AID PAYMENT SCHEDULE.] Debt service equalization aid must be paid as follows: one-third before September 15, one-third before December 15, and one-third before March 15 of each year.

Sec. 9. [124.96] [ANNUAL DEBT SERVICE EQUALIZATION AID APPROPRIATION.]

There is annually appropriated from the general fund to the department of education the amount necessary for debt service equalization aid. This amount must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 10. [124.97] [DEBT SERVICE LEVY.]

A school district may levy the amounts necessary to make payments for bonds issued and for interest on them, including the bonds and interest on them, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); and the amounts necessary for repayment of debt service loans and capital loans, minus the amount of debt service equalization revenue of the district.

Sec. 11. Minnesota Statutes 1990, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Prop-

erty that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12 ~~or~~; special education for handicapped children ~~or~~; adult basic and continuing education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 12. Minnesota Statutes 1990, 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; the amounts necessary to pay the district's obligations under section 122.533; and for severance pay required by this section and section 122.535, subdivision 6.~~

(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. 13. Minnesota Statutes 1990, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS TO LEASE A BUILDING AND LAND.] When a district finds it economically advantageous to rent or lease a building or land 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, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for leasing or renting a facility owned by a district or for custodial or other maintenance services.

Sec. 14. [373.42] [COUNTY FACILITIES GROUP.]

Subdivision 1. [ESTABLISHMENT.] Each county outside of the seven-county metropolitan area must establish a county facilities group by July 1, 1992.

Subd. 2. [MEMBERSHIP.] A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board.

Subd. 3. [DUTIES.] The county facilities group shall develop an inventory of all public buildings located within the county. The inventory shall include an assessment of the condition of each public building and document any under used space in the buildings.

Subd. 4. [COMMENT.] The county facilities group shall review and comment on any proposed joint facility and may submit comments to the commissioner of education on any school district facility that is proposed within the county.

Sec. 15. [473.23] [PUBLIC FACILITIES REVIEW.]

Subdivision 1. [INVENTORY.] The metropolitan council, in consultation with appropriate state agencies and local officials, must develop an inventory of all public buildings located within the metropolitan area. The inventory must include an assessment of the condition of each public building and document any under used space in the buildings.

Subd. 2. [SHARED FACILITIES.] The metropolitan council must review and comment on any joint facility proposed under section 121.155 and may submit comments to the commissioner of education on any school district facility that is proposed within the metropolitan area.

Sec. 16. [APPLICATION.]

Section 15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [HEALTH AND SAFETY LEVY ADJUSTMENT.]

The department of education shall adjust the 1991 payable 1992 levy for each school district or intermediate district by the amount of the change in the district's health and safety levy for fiscal year 1992 according to Minnesota Statutes, section 124.83, subdivision 4, resulting from the change to the health and safety equalizing factor. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

Sec. 18. [BONDS FOR CERTAIN CAPITAL FACILITIES.]

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, and No. 734, Henderson, may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school

buildings, and bringing school buildings into compliance with fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.

A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.

Sec. 19. [HUTCHINSON SCHOOL DISTRICT LEASE PURCHASE LEVY.]

Notwithstanding Minnesota Statutes, section 275.125 or other law, independent school district No. 423, Hutchinson, may levy each year for the annual payments required on a lease purchase agreement for a facility for level V emotionally and behaviorally disturbed special education students.

Sec. 20. [ST. PAUL SCHOOL DISTRICT BONDS.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds to acquire or better school 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 1992 to 1996 as provided in this section. The aggregate principal amount of any bonds issued under this section in calendar year 1992 must not exceed \$12,700,000 and in calendar

years 1993 to 1996 must not exceed \$9,000,000 each year. 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 or net debt limits 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 required under Minnesota Statutes, section 475.61, subdivisions 1 and 3. 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.

Sec. 21. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies to bonding authority granted under section 20.

Subd. 2. [NOTICE.] (a) A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. [BOND AUTHORIZATION.] A school board may vote to issue bonds newly authorized under section 20 only after complying with the requirements of subdivision 2.

Sec. 22. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 20 and 21 are effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, sections 645.021, subdivision 3.

Sec. 23. [MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.]

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of excess owed to the state. The commissioner may reduce the excess that a district owes the state if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; or

(3) the district's tax capacity per pupil is less than one-tenth of the equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8.

(b) The amount of the excess that may be forgiven may not exceed \$200,000 in a single year for any district.

Sec. 24. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$73,185,000 1992

\$72,731,000 1993

The 1992 appropriation includes \$10,920,000 for 1991 and \$62,265,000 for 1992.

The 1993 appropriation includes \$10,988,000 for 1992 and \$61,743,000 for 1993.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,593,000 1992

\$36,365,000 1993

The 1992 appropriation includes \$5,460,000 for 1991 and \$31,133,000 for 1992.

The 1993 appropriation includes \$5,493,000 for 1992 and \$30,872,000 for 1993.

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,560,000 1992

\$11,351,000 1993

The 1992 appropriation includes \$1,650,000 for 1991 and \$9,910,000 for 1992.

The 1993 appropriation includes \$1,748,000 for 1992 and \$9,603,000 for 1993.

For fiscal year 1993, total health and safety revenue may not exceed \$58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate

between the number of pupils in and the geographic location of school districts.

Subd. 5. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$ 6,139,000 1993

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 to the general fund.

Subd. 6. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

\$4,950,000 1993

Sec. 25. [EFFECTIVE DATE.]

Sections 5, 8, 9, 10, and 12 are effective for revenue for fiscal year 1993.

Section 7 is effective for revenue for fiscal year 1994.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1990, section 120.08, subdivision 3, is amended to read:

Subd. 3. [SEVERANCE PAY.] A district shall pay severance pay to a teacher who is:

(1) placed on unrequested leave of absence by the district ~~because the teacher's position is discontinued~~ as a result of an agreement under this section; and

(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for ~~one year~~ and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

Sec. 3. [121.915] [REORGANIZATION OPERATING DEBT.]

The "reorganization operating debt" of a school district means the net negative undesignated fund balance in all school district funds, other than capital expenditure, building construction, debt redemption, 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:

(1) June 30 of the fiscal year before the first year that a district receives revenue according to section 124.2725; or

(2) June 30 of the fiscal year before the effective date of reorganization according to section 122.22 or 122.23.

Sec. 4. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 5a. [DISTRICT COMPUTING SUBSIDIES.] The appropriation for regional management information centers shall be allocated among the centers according to the allocation for fiscal year 1991. Any part of the appropriation for fiscal year 1991 that was not distributed directly to the centers shall be added to the allocation according to the proportions each center received for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the center; times

(2) the allocation for the center of which the district is a member.

The payment shall be used by the district to purchase services from a regional management information center, another school district, or other provider, or to provide the services. The payment shall be deposited in the district's capital expenditure fund.

Sec. 5. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 7. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 6. Minnesota Statutes 1990, section 122.22, subdivision 7a, is amended to read:

Subd. 7a. Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution shall provide the following information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

(a) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district;

(b) The net tax capacity of the district;

(c) The most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;

(d) A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed: (1) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment; (2) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment in the proportion which the net tax capacity of that part of the dissolving district which is included in the newly enlarged district bears to the net tax capacity of the entire district as of the time of attachment; or (3) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (2).

An apportionment pursuant to subclause (2) or (3) shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

An apportionment of bonded indebtedness, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation pursuant to subclause (2) or (3) shall not relieve any property from any tax liability for payment of any bonded or capital obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation to the extent of the proportion stated.

Sec. 7. Minnesota Statutes 1990, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) An effective date for the order. The effective date shall be at least three months after the date of the order, and shall be July 1 of an odd-numbered year; and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 8. Minnesota Statutes 1990, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose ~~either~~ the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 16b. ~~The resolution or petition may also propose;~~

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

~~(e)~~ (3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued. ~~The resolution or petition may also propose;~~

(4) that the board of the newly created district consist of seven members; ~~and may also propose the establishment of; or~~

(5) ~~that~~ separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

~~(a)~~ (1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

~~(b)~~ (2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

~~(c)~~ (3) The boundaries of any proposed separate election districts, and

~~(d)~~ (4) Other pertinent information as determined by the county auditor.

Sec. 9. Minnesota Statutes 1990, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The adjusted net tax capacity of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, capital loan obligations, or referendum levies of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 10. Minnesota Statutes 1990, section 122.241, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 122.241 to 122.248 establish procedures for school boards that adopt, by resolution, a five-year written agreement:

(1) to provide at least secondary instruction cooperatively for at least one or two years, if the districts cooperate according to subdivision 2; and

(2) to combine into one district ~~after cooperating.~~

Sec. 11. Minnesota Statutes 1990, section 122.241, subdivision 2, is amended to read:

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

(1) implement a written agreement according to section 122.541 no later than the first year of cooperation;

(2) all be members of one education district, if any one of the districts is a member, no later than the end of the second year of cooperation; and

(3) all be members of one ECSU, if any one of the districts is a member.

Clause (1) does not apply to a district that implemented an agreement for secondary education, according to section 122.535, during any year before the 1991-1992 school year. If the districts cooperate for one or more years, the agreement may be continued during those years.

Sec. 12. Minnesota Statutes 1990, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

~~(3)~~ (4) whether the cooperating or combined district will levy for reorganization operating debt according to section 3, clause (1); and

(5) two-, five-, and ten-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 13. Minnesota Statutes 1990, 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 during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. 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 submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted districts shall modify their cooperation and combina-

tion plan. A ~~different question~~ third referendum may be submitted conducted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 14. Minnesota Statutes 1990, section 122.247, is amended by adding a subdivision to read:

Subd. 2a. [CAPITAL LOAN.] The combined school board may levy for the obligations for a capital loan outstanding at the time of combination, consistent with the plan adopted according to section 122.242 and any subsequent modifications. The primary obligation to levy as required by the capital loan remains with taxable property in the preexisting district that obtained the capital loan. However, the obligation of a capital loan may be extended to all of the taxable property in the combined district.

Sec. 15. Minnesota Statutes 1990, section 122.247, subdivision 3, is amended to read:

Subd. 3. [TRANSITIONAL LEVY.] The board of the combined district, or the boards of combining districts that have received voter approval for the combination under section 122.243, subdivision 2, may levy for the expenses of negotiation, administrative expenses directly related to the transition from cooperation to combination, and the cost of necessary new athletic and music uniforms. The board or boards may levy this amount over three or fewer years. All expenses must be approved by the state board of education.

Sec. 16. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 4a. [REORGANIZATION OPERATING DEBT LEVIES.] (a) A district that is cooperating or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section 3, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread only either on the property in the combined district that would have been taxable in the preexisting district that incurred the debt or on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy to eliminate reorganization operating debt as defined in section 3, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt or on all of the taxable property in the newly created or enlarged district.

Sec. 17. [122.5311] [OBLIGATIONS UPON DISTRICT REORGANIZATION.]

Subdivision 1. [CAPITAL LOAN OBLIGATIONS.] If a district has a capital loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the capital loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment to the extent stated in the plan. Notwithstanding any contract to the contrary, if all of the taxable property in the newly created or enlarged district is taxable for the payment of the capital loan and until the capital loan is retired or cancelled, the maximum effort debt service levy shall be recalculated annually by the department of education to be equal to the required debt service levy plus an additional amount. The additional amount shall be the greater of:

(i) zero, or

(ii) the maximum effort debt service levy of the preexisting district minus the required debt service levy of the preexisting district that received the capital loan.

For the purpose of the recalculation, additional bond issues after the date of the reorganization shall not impact the maximum effort debt service levy or the required debt service levy.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for a capital loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any capital loan obligation.

Subd. 2. [ENERGY LOAN OBLIGATIONS.] If a district has an energy loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the energy loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for an energy loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any energy loan obligation.

Sec. 18. Minnesota Statutes 1990, section 122.535, subdivision 6, is amended to read:

Subd. 6. [SEVERANCE PAY.] A district shall pay severance pay to a teacher who is:

(1) placed on unrequested leave of absence by the district because the teacher's position is discontinued as a result of the agreement; and

(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 19. Minnesota Statutes 1990, section 122.91, subdivision 5, is amended to read:

Subd. 5. [JOINDER AND WITHDRAWAL.] (a) A member school district 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.

(b) Notwithstanding paragraph (a), a school district that certified a levy under section ~~124.2725~~ for fiscal year ~~1991~~ 124.2721 may apply to the department of education to transfer from ~~one~~ the education district to ~~another to comply with section 122.241, subdivision 2, clause (2).~~ which it currently belongs to a different education district before June 1 of the calendar year after the levy was certified if any of the following conditions are met as a result of the transfer:

(1) all member school districts of a special education cooperative established under section 120.17 or 471.59, or a cooperative center for vocational education established under section 123.351 become members of the same education district;

(2) the location of the school district allows the education district into which the school district is applying to transfer to provide services more effectively than the current education district; or

(3) the number of boards governing special education cooperatives established under section 120.17 or 471.59, cooperative centers for vocational education established under section 123.351, or other educational organizations that operate within the geographic area of either education district is reduced.

(c) The department of education must accept or reject an application for transfer under this section within 30 days of receiving the application. 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.

(e) (d) By August 1 of each year, an education district must notify the department of education concerning 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.

Sec. 20. Minnesota Statutes 1990, section 122.94, is amended by adding a subdivision to read:

Subd. 1a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a education district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of debt incurred by the education district board before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the education district or to withdraw from the education district, the school board of the school district shall adopt a resolution and notify the education district board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt, the board of an education district shall adopt a resolution proposing to incur debt and the proposed financial effect of the debt upon each school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the education district shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the education district, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the debt; or

(3) its intention to withdraw from the education district.

A school board adopting a resolution according to clause (1) is liable for its share of debt as proposed by the education district board. A school board adopting a resolution according to clause (2) is not liable for the debt, as proposed by the board of the education district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt proposed by the education district board.

(e) On and after July 1, 1993, a school district is liable according to paragraph (d) for its share of debt incurred by the education district to the extent that the debt is directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the debt is discharged and only according to the payment schedule in effect at the time the education district board provides notice to the school board, except that the payment schedule may be altered for the purpose of restructuring debt if the annual payments of the school district are not increased and if the total obligation of the school district for the debt is not increased.

Sec. 21. Minnesota Statutes 1990, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For 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 at least the same number of instructional days in common as are offered by the member district with the fewest number of instructional days;

(2) the same first and last days of instruction in a school year; and

(3) the specific days reserved for staff development at least the same number of staff development days in common as are provided by the member district with the fewest number of staff development days.

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. 22. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19. [LIMITATION ON ALL AGREEMENTS.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a regional center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the regional center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the regional center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the regional center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the regional center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 23. Minnesota Statutes 1990, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, of the center board, and of the state board of education, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

(a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total

obligation of the district for the outstanding bonds or other debt is not increased.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year July 1 but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 24. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 4a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for an ECSU for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of debts or obligations incurred by the ECSU before the effective date of this section. The district is liable only until the debt or obligation is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring or refunding debt or obligations outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding debt or obligations is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the ECSU or to withdraw from the ECSU, the school board shall adopt a resolution and notify the ECSU of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt or obligations, the ECSU board shall adopt a resolution proposing to incur debt or obligations and the proposed financial effect of the debt or obligations upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The ECSU board shall notify each participating school board

of the contents of the resolution. Within 120 days of receiving the resolution of the ECSU board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with incurring the debt or obligations;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the debt or obligations;
or
- (3) its intention to withdraw from the ECSU.

A school board adopting a resolution according to clause (1) is liable for its share of debt or obligations as proposed by the ECSU board. A school board adopting a resolution according to clause (2) is not liable for the debt or obligations, as proposed by the ECSU board, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt or obligations proposed by the ECSU board.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of debt or obligations incurred by the ECSU to the extent that the debt or obligations are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the debt or obligation is discharged and only according to the payment schedule in effect at the time the ECSU board provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding or restructuring debt or obligations if the annual payments of the district are not increased and if the total obligation of the district for the outstanding debt or obligation is not increased.

Sec. 25. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 9a. [ALLOCATION OF STATE APPROPRIATION.] The appropriation for ECSUs shall be allocated among the ECSUs according to the allocation for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the ECSU;
times

(2) the allocation for the ECSU of which the district is a member.

The payment shall be used by the district to purchase educational

services from an ECSU, another school district, or other provider, or to provide other educational services.

Sec. 26. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 1a. [ELIGIBILITY.] A school district is eligible for education district revenue if the district certified a levy for education district revenue in 1992 for taxes payable in 1993. 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.

Sec. 27. Minnesota Statutes 1990, section 124.2721, subdivision 2, is amended to read:

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. Education district revenue shall be the lesser of:

(1) the amount certified by the education district board; or

(2) ~~the sum of:~~

(i) ~~\$60 in basic education district revenue; and~~

(ii) ~~\$50 for education districts authorized to receive revenue under Laws 1990, chapter 562, article 6, section 36, subdivision 2, \$50 times the actual pupil units in the education district.~~

Sec. 28. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 2a. [REVENUE.] For fiscal year 1994 and thereafter, education district revenue shall be \$50 times the number of pupil units in the district.

Sec. 29. Minnesota Statutes 1990, section 124.2721, subdivision 3, is amended to read:

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 net tax capacity of the education district divided by the number of actual pupil units in the education district to an amount equal to the sum of subdivision 2, clause (2), items (i) and (ii), for which the education district is eligible \$50 divided by 1.87 percent.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

Sec. 30. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 3a. [LEVY.] Beginning with the levy attributable to fiscal year 1994 and thereafter, the education district levy for a school district is equal to the following:

(1) the sum of the education district revenue according to subdivision 2 for all member school districts of the education district, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to the amount in clause (1) divided by 1.87 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.

Sec. 31. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 4a. [AID.] For fiscal year 1994 and thereafter, education district aid equals the education district revenue minus the education district levy, times the ratio of the actual amount levied to the permitted levy. If the permitted education district levy exceeds the education district revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 32. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5a. [USES OF REVENUE.] For fiscal year 1994 and thereafter, education district revenue shall be used only for one or more of the following purposes:

(1) purchase educational programs offered by another school district, education district, secondary vocational cooperative, special education cooperative, intermediate school district, joint powers board, or an ECSU;

(2) provide educational programs offered by an education district;

(3) provide additional revenue for early childhood family education programs, head start programs, or other educational programs for children who have not entered kindergarten;

(4) provide additional revenue for early childhood health and developmental screening or other health services for children from birth through 12th grade;

(5) provide services needed by pupils described in section 126.22 or children of any age who have characteristics, as designated by the district, that may interfere with learning and developing;

(6) provide secondary course offerings if the courses have specific learner outcomes and teachers participate in determining the outcomes;

(7) provide preparation time for elementary teachers or additional revenue for staff development for outcome-based education or site-based decision making;

(8) provide revenue for expenditures related to interdistrict cooperation according to section 122.541, agreements for secondary education according to section 122.535, additional revenue for cooperation and combination according to sections 122.241 to 122.248, dissolution and attachment according to section 122.22, or consolidation according to section 122.23;

(9) provide additional revenue for education programs for adults to earn high school diplomas or equivalency certificates;

(10) collaborate with local health and human service agencies to provide comprehensive and coordinated services for children and families;

(11) implement a career teacher program according to sections 124C.27 to 124C.31;

(12) provide extended day programs for children in elementary school;

(13) pay fees charged by a regional management information center, according to section 121.935, subdivision 6, or an educational cooperative service unit, according to section 123.58, subdivision 9; or

(14) make repairs or improvements to buildings as required by a fire safety inspection according to section 121.1502.

The school district may provide the programs and services itself or contract with a public education organization or a public or private health or human service organization. The school district shall not use education district revenue to increase the salaries of the employees of the school district.

Sec. 33. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5b. [FUND TRANSFER AUTHORIZED.] For fiscal year 1994 and thereafter, notwithstanding section 121.912, a district using the education district revenue for fire safety improvements required by fire inspections shall transfer each year the amount needed to make the improvements from the general fund to the capital expenditure fund. A district using education district revenue for purposes that would otherwise be paid from the community service fund shall transfer each year the amount needed from the general fund to the community service fund.

Sec. 34. Minnesota Statutes 1990, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] (a) For districts that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:

(1) 50 percent for the first year of combination; and

(2) 25 percent for the second year of combination.

(b) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the first year of combination;

(3) 50 percent for the second year of combination; and

(4) 25 percent for the third year of combination.

(b) (c) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the second year of cooperation;
- (3) 50 percent for the first year of combination; and
- (4) 25 percent for the second year of combination.

Sec. 35. Minnesota Statutes 1990, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.

(b) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after three years of combining.~~

(b) (c) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after two years of combining.~~

(d) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 36. Minnesota Statutes 1990, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid under this subdivision. ~~For the first year of cooperation, a district shall receive, for each resident and nonresident pupil receiving instruction in a cooperating district, \$100 times the actual pupil units. For the first year of combination, the combined district shall receive, for each resident and nonresident pupil receiving instruction in the combined district, \$100 times the actual pupil units according to the following:~~

(1) for districts that combine without cooperating, \$100 times the actual pupil units in the district in the first year of combination; or

(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination; or

(3) for districts that combine after two years of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination.

Sec. 37. Minnesota Statutes 1990, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) ~~For the third year of combination and thereafter, When a combined district is no longer eligible for aid under subdivision 5, it may receive revenue according to this subdivision. A combined district that is not a member of an education district that receives revenue under section 124.2721 may levy each year 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. 38. Minnesota Statutes 1990, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units in the districts.

Sec. 39. [124.2727] [INTERMEDIATE DISTRICT REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for intermediate school district revenue if the property in the school district was subject to taxation by or on behalf of an intermediate school district for taxes payable in 1991. Independent school district

Nos. 138 and 141 are eligible for intermediate school district revenue upon joining intermediate district No. 916.

Subd. 2. [REVENUE.] Intermediate school district revenues for an eligible school district are equal to the product of:

(1) the greater of:

(i) the quotient obtained by dividing five-sixths of the levy certified by the intermediate school district for taxes payable in 1989 by the sum of the actual pupil units of the eligible school districts for the fiscal year to which the levy is attributable; or

(ii) \$50, times

(2) the actual pupil units in the school district for the year to which the levy is attributable.

Subd. 3. [LEVY.] The intermediate school district levy for an eligible school district is equal to the product of:

(1) the quotient obtained by dividing the sum of the amounts computed in subdivision 2 for all eligible member districts of the intermediate school district by the total adjusted net tax capacity of the intermediate school district; times

(2) the adjusted net tax capacity of the school district.

Subd. 4. [REVENUE ADJUSTMENTS.] The intermediate school district revenue adjustment for an eligible school district is equal to the intermediate school district revenue minus the intermediate school district levy times the ratio of the actual amount levied to the permitted levy. If the permitted intermediate school district levy exceeds the intermediate school district revenue, the department shall reduce other aid due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for revenue adjustments under this subdivision.

Subd. 5. [REVENUE USES.] Five-elevenths of the proceeds of the revenue must be used for special education and six-elevenths of the proceeds of the revenue must be used for secondary vocational education. The district may provide special education or secondary vocational education, or both. The district may purchase some or all of either type of education from the intermediate district, another school district, or any other provider.

Subd. 6. [ALTERNATIVE LEVY AUTHORITY.] (a) An intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) Five-sixths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) To levy according to paragraph (a), a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district \$50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district.

Sec. 40. Minnesota Statutes 1990, section 124.493, is amended by adding a subdivision to read:

Subd. 3. [APPLICATIONS.] Districts that apply for a cooperative secondary facilities grant after May 1, 1991, shall:

(1) submit a plan as set forth in section 122.242 for approval by the state board of education; and

(2) comply with the provisions of sections 122.243 to 122.247, applicable to combined districts.

The districts are not eligible for cooperation and combination revenue under section 124.2725. Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring,

constructing, remodeling, or improving a building or site of a cooperative secondary facility.

Sec. 41. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 1a. [ELIGIBILITY.] Beginning in fiscal year 1994 a school district is eligible for secondary vocational cooperative revenue if the school district certified a levy for secondary vocational cooperative revenue in 1992 for taxes payable in 1993. The pupil units of a district that is a member of intermediate school district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a district may not be used to obtain revenue under this section and section 124.2721.

Sec. 42. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 2a. [REVENUE.] For fiscal year 1994 and thereafter, secondary vocational cooperative revenue shall be \$20 times the actual pupil units in the district.

Sec. 43. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 3a. [LEVY.] Beginning with the levy attributable to fiscal year 1994 and thereafter, the secondary vocational cooperative levy for a school district is equal to the following:

(1) the sum of the secondary vocational cooperative revenue according to subdivision 2 for all member school districts of the secondary vocational cooperative according to subdivision 1, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the secondary vocational cooperative divided by the number of actual pupil units in the secondary vocational cooperative to an amount equal to \$20 divided by .78 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the secondary vocational cooperative.

Sec. 44. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 4a. [AID.] For fiscal year 1994 and thereafter, secondary vocational cooperative aid equals the secondary vocational cooperative revenue minus the secondary vocational cooperative levy, times the ratio of the actual amount levied to the permitted levy. If the permitted amount of the secondary vocational cooperative levy exceeds the secondary vocational cooperative revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 45. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 5. [USE OF REVENUE.] Secondary vocational cooperative revenue shall be used to provide or purchase vocational offerings, special education for handicapped pupils, or other educational programs or services offered by a secondary vocational center, school district, or other provider.

Sec. 46. Minnesota Statutes 1990, section 124B.03, subdivision 2, is amended to read:

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 per actual pupil unit, the total amount that will be raised by that local tax rate in the first year it is to be levied, and that the local tax rate proceeds of the levy must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies which may not exceed five years. 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 An approved, the amount provided by the approved local tax rate applied to the net tax capacity per actual pupil unit times the number of actual pupil units in the education district for the fiscal 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 tax 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) or subdivision 1

proportionately among the member districts based on net tax capacity. The member districts ~~shall~~ may levy an amount up to 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 273.1308, subdivision 6.~~

Sec. 47. Minnesota Statutes 1990, section 136D.22, is amended by adding a subdivision to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the

school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 48. [136D.281] [BONDS.]

Subdivision 1. [PURPOSE.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. [GENERAL LAW.] Chapter 475 shall be applicable in all respects.

Subd. 3. [RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in said district.

Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may proceed with the sale and issuance of the bonds.

Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14 and shall be deemed instruments of a public governmental agency.

Sec. 49. Minnesota Statutes 1990, section 136D.29, is amended to read:

136D.29 [TERM OF AGREEMENT; DISSOLUTION, BOND TAXES.]

The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section 136D.28 before termination.

Sec. 50. Minnesota Statutes 1990, section 136D.71, is amended to read:

136D.71 [LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.]

Subdivision 1. [AGREEMENT.] Notwithstanding any other law to the contrary, two or more of the independent school districts numbered 12 and 16 of Anoka county, independent school districts numbered 621, 622, 623, and 624 of Ramsey county, and independent school districts numbered 832, 833, and 834 of Washington county, are hereby authorized to enter into an agreement to establish a special intermediate school district upon majority vote of the full membership of each of the boards of the districts entering into the agreement. When such resolution has been adopted by the board of one of the districts, it shall be published once in a newspaper of general circulation in said district. If a petition for referendum on the question of said district entering into such agreement is filed with the clerk of the said board within 60 days after publication of such resolution, signed by the qualified voters of said district equal to five percent of the number of voters at the last annual school election. No board shall enter into such agreement until the question of whether the district shall enter into the agreement has been submitted to the voters of said district at a special election. Said election shall be conducted and canvassed in accordance with chapter 205A.

If a majority of the total number of votes cast on the question within said district is in favor of the question, the board of said school district may thereupon proceed to enter into an agreement to establish the special intermediate school district for purposes herein described. Such school district so created shall be known as north-eastern metropolitan intermediate school district, state of Minnesota. The commissioner of education shall assign an appropriate identification number as provided by section 122.03.

Subd. 2. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a

school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 51. Minnesota Statutes 1990, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board of ~~not less than six nor more than 12 members~~. The ~~board shall consist~~ consisting of at least one member from each of the school districts within the special intermediate school district. Board members shall be members of the school boards of the respective school districts and shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.

Sec. 52. Minnesota Statutes 1990, section 136D.76, subdivision 2, is amended to read:

Subd. 2. [JOINDER.] An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter, upon approval of the majority vote of its board and of the intermediate school board as well as approval of the state board of education and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be governed by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.

Sec. 53. Minnesota Statutes 1990, section 136D.82, is amended by adding a subdivision to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a

resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 54. [136D.88] [BONDS.]

Subdivision 1. [PURPOSE.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. [GENERAL LAW.] Chapter 475 shall be applicable in all respects.

Subd. 3. [RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in the district.

Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

If a majority of the total number of votes cast on the question

within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and issuance of the bonds.

Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 55. Minnesota Statutes 1990, section 136D.90, is amended to read:

136D.90 [TERM OF AGREEMENT, DISSOLUTION, BOND TAXES.]

Subdivision 1. [TERM OF AGREEMENT AND TERMINATION.] The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section 136D.89 before termination.

Subd. 2. [WITHDRAWAL.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment

schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the

school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 56. Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Subd. 11g. [EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION.] A school district with its central administrative office located within economic development region one, two, three, four, five, seven, eight, and ten may levy up to .5 percent of the adjusted net tax capacity of the district for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.

Sec. 57. Laws 1989, chapter 329, article 6, section 53, subdivision 6, as amended by Laws 1990, chapter 562, article 7, section 13, is amended to read:

Subd. 6. [TELECOMMUNICATIONS GRANT.] For grants of up to \$20,000 each to independent school districts Nos. 356, 353, 444, 441, 524, 564, 592, 440, 678, 676, 682, 690, 390, 593, 595, 630, 600, 599, 447, 742, 627, 628, 561, and 454 to support cooperative educational technology programs:

\$340,000 1991.

The amount appropriated shall not cancel but shall be available until June 30, 1992.

After June 30, 1991, any remaining amount is available for grants of up to \$20,000 each to independent school districts Nos. 402, 403, 404, 409, 411, 412, 413, 414, 418, 584, 601, 603, 791, 891, and 896. Any other district listed in this section that have not received a grant prior to June 30, 1991, may apply for a grant from any remaining amount. The department may establish a deadline for grant applications.

Sec. 58. [AID PAYMENTS.]

(a) Notwithstanding Minnesota Statutes, section 122.541, or any other law to the contrary, it is the intent of the legislature that all

pupils residing in independent school district No. 483, Motley, who are enrolled and attending school in kindergarten through grade 12 in independent school district No. 793, Staples, be treated as nonresident pupils enrolled and attending school in independent school district No. 793, Staples, under Minnesota Statutes, section 120.062 beginning with the 1990-1991 school year.

(b) The department of education shall:

(1) determine the amount of state education aid calculated under Minnesota Statutes, section 120.062, subdivision 12, due district No. 793 as a result of this section;

(2) reduce state education aid for district No. 483 in an amount equal to the amount of aid due district No. 793 under clause (1) plus \$110,198.19 for the cost to district No. 793 of educating 48 resident pupils of district No. 483 who attended kindergarten through grade 6 in district No. 793 during the 1989-1990 school year; and

(3) deposit the amount of state education aid calculated under clauses (1) and (2) in a separate account in the state treasury.

Notwithstanding any law to the contrary, the state treasurer shall use the revenue deposited in the account under clause (3) to pay to independent school district No. 793 that amount of state education aid, plus a proportionate share of the interest earned on the account, representing partial or total satisfaction of any final judgment entered against independent school district No. 483 in the cases of independent school district No. 483, Motley v. Tom Nelson, in his official capacity as commissioner of education, file numbers C8-90-9736 and C6-90-2671, and independent school district No. 793 v. Ervin Bjergarfile number C6-90-2059, after all time for appeal from the judgments has expired. The treasurer shall pay any remaining revenue plus proportionate interest to independent school district No. 483. For independent school district No. 793 or independent school district No. 483 to receive payment, the attorney representing the district shall submit to the state treasurer a certified copy of the judgment and an affidavit stating that the judgment is a final judgment and the time for appeal from the judgment has expired.

Sec. 59. [RUSHFORD-PETERSON FUND TRANSFER AUTHORIZATION.]

Independent school district No. 239, Rushford-Peterson, may make permanent transfers between any of the funds in the district, with the exception of the debt redemption fund, during the 90 days following the effective date of this section.

Sec. 60. [REVENUE ADJUSTMENTS.]

(a) The department of education shall adjust the 1991 payable 1992 levy for each school district by the amount of the change in the district's education district levy for fiscal year 1992 according to Minnesota Statutes, section 124.2721, subdivision 3, resulting from the change to education district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

(b) The department of education shall adjust the 1991 payable 1992 levy for each member district of an intermediate district that levies according to section 39, subdivision 3, by the amount of the change in the school district's intermediate district levy for fiscal year 1992 according to section 39, subdivision 3, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

The department of education shall adjust the 1991 payable 1992 levy for each intermediate district that levies according to section 39, subdivision 6, by the amount of the change in the intermediate district's levy for fiscal year 1992 according to section 39, subdivision 2, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

Sec. 61. [DISTRICTS WITH SECONDARY EDUCATION AGREEMENTS.]

A district that has had an agreement for secondary education according to Minnesota Statutes, section 122.535, with one or more districts continuously since the 1987-1988 school year is eligible for cooperation and combination revenue if it meets the requirements of Minnesota Statutes, sections 122.241 to 122.248, not later than the first year of cooperation. The department of education shall extend the deadline for submitting a plan in 1991.

Sec. 62. [FINLAYSON AND HINCKLEY COOPERATION AND COMBINATION.]

Independent school district Nos. 570, Finlayson, and 573, Hinckley, may cooperate and combine under Minnesota Statutes, sections 122.241 to 122.248, and receive revenue under Minnesota Statutes, section 124.2725, even if the districts are not contiguous. The districts shall comply with all other requirements for cooperation and combination.

Sec. 63. [APPLICABILITY.]

The provisions relating to capital loans for cooperating and

combining districts apply to all districts that have contracts for capital loans the day following final enactment of this act.

Sec. 64. [PREK-12 AND COMMUNITY EDUCATION SERVICE DELIVERY SYSTEM.]

Subdivision 1. [PURPOSE.] The purpose of this section is to design and implement a statewide delivery system for educational services that will reduce the number of different cooperative organizations and the multiple levels of administration that accompany those organizations.

Subd. 2. [SCOPE OF THE SYSTEM.] (a) A new statewide delivery system must be designed and implemented by the state board of education by June 30, 1995, for all prekindergarten through grade 12 and community education services provided by the organizations enumerated in this paragraph:

- (1) the Minnesota department of education;
- (2) educational cooperative service units established under Minnesota Statutes, section 123.58;
- (3) intermediate school districts established under Minnesota Statutes, chapter 136D;
- (4) education districts established under Minnesota Statutes, section 122.91;
- (5) regional management information centers established under Minnesota Statutes, section 121.935;
- (6) secondary vocational cooperatives established under Minnesota Statutes, section 123.351;
- (7) special education cooperatives established under Minnesota Statutes, section 120.17 or 471.59;
- (8) technology cooperatives; and
- (9) other joint powers agreements established under Minnesota Statutes, section 471.59.

(b) The state board shall compile a list of services and programs provided or administered by each type of organization listed in paragraph (a), clauses (1) to (9).

Subd. 3. [REQUIREMENTS FOR THE SYSTEM.] The new statewide delivery system must provide for no more than three organizations for education service delivery:

(1) a school district, as defined in Minnesota Statutes, chapter 123;

(2) an area education organization to provide those programs and services most efficiently and effectively provided through a joint effort of school districts; and

(3) a state level administrative organization comprised of a state board of education and a state department of education with central and regional delivery centers.

Subd. 4. [LOCAL SCHOOL DISTRICT PLANNING.] To assist the state board in designing a new education delivery system as described in subdivision 3, each school district shall develop a plan for the efficient and effective delivery of educational programs and services within the new education delivery system. The plan developed by each district must contain the following components enumerated in this subdivision:

(1) a list of necessary services provided by the organizations listed in subdivision 2;

(2) a description of the necessary services to be provided by the school district, the area education organization, and the central and regional delivery centers of the department of education described in subdivision 3;

(3) a specification of the optimal number of school districts and number of pupils that an area education organization and regional center of the department of education should serve;

(4) a method for determining the boundaries of area education organizations and regional centers of the department;

(5) a description of how services provided in the area education organizations should be funded;

(6) a determination of the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils; and

(7) any additional information requested by the state board of education.

In the development of its plan, each district shall confer with teachers and residents within the district, hold public meetings as necessary, and inform the public concerning its plan and any recommendations. School districts must meet jointly to discuss

aspects of the plan which involve multiple school districts. Each district must submit the plan to the state board by a date specified by the board. School districts cooperating under Minnesota Statutes, sections 122.241 to 122.248, 122.535, or 122.541 must submit a joint plan.

Subd. 5. [STATE BOARD OF EDUCATION TO DIRECT LOCAL SCHOOL DISTRICT PLANNING.] The state board of education shall direct local school district efforts to develop the plan described in subdivision 4. To assist school districts in planning, the board shall provide each school district with the list of services and programs compiled according to subdivision 2. The commissioner of education shall provide staff assistance to the state board as required by the board to direct this planning process.

Subd. 6. [STATE BOARD OF EDUCATION REPORTS TO THE LEGISLATURE.] (a) The state board of education shall set a date by which school districts must submit their plan to the board. The board shall report to the legislature by February 1, 1992, on school district progress in the planning process. The board shall make a final report to the legislature by January 1, 1993. The final report must contain recommendations for the design of an education service delivery system in accordance with this section and recommendations for legislation required to implement the system.

(b) The report must include recommendations specifying at which organizational level of the education delivery system described in subdivision 3 collective bargaining could take place most effectively and efficiently. The board must consult with the bureau of mediation services in developing these recommendations.

(c) The final report must include recommendations of the legislative commission on children, youth, and their families established according to article 8, section 1 on coordinating local health, correctional, educational, job, and human services to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services.

Sec. 65. [EARLY RECOGNITION OF COOPERATION REVENUE.]

Independent school district Nos. 543, Deer Creek, and 819, Wadena, may recognize cooperation revenue received for fiscal year 1993 according to Minnesota Statutes, section 124.2725, subdivision 6, in fiscal year 1992.

Sec. 66. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [EDUCATION DISTRICT AID.] For education district aid according to Minnesota Statutes, section 124.2721:

\$2,798,000 1992

\$2,290,000 1993

The 1992 appropriation includes \$555,000 for 1991 and \$2,243,000 for 1992.

The 1993 appropriation includes \$395,000 for 1992 and \$1,895,000 for 1993.

Subd. 3. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

\$2,327,000 1992

\$4,148,000 1993

The 1992 appropriation includes \$210,000 for 1991 and \$2,116,000 for 1992.

The 1993 appropriation includes \$373,000 for 1992 and \$3,775,000 for 1993.

Subd. 4. [SECONDARY VOCATIONAL COOPERATIVE AID.] For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:

\$178,000 1992

\$165,000 1993

The 1992 appropriation includes \$24,000 for 1991 and \$154,000 for 1992.

The 1993 appropriation includes \$27,000 for 1992 and \$138,000 for 1993.

Subd. 5. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units:

\$748,000 1992

\$748,000 1993

The 1992 appropriation includes \$112,000 for 1991 and \$636,000 for 1992.

The 1993 appropriation includes \$112,000 for 1992 and \$636,000 for 1993.

Money from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$68,000 per ECSU for each fiscal year. The ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may receive up to \$136,000 for each fiscal year.

Before releasing money to the ECSUs, the department of education shall ensure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The department may withhold all or a part of the money for an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Subd. 6. [MANAGEMENT INFORMATION CENTERS.] For management information centers according to Minnesota Statutes, section 121.935, subdivision 5:

\$3,411,000 1992

\$3,411,000 1993

\$356,000 each year is for software support of the ESV information system.

Sec. 67. [REPEALER.]

Subdivision 1. [JULY 1, 1991.] Minnesota Statutes 1990, 124C.02; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; and 275.125, subdivisions 8d, are repealed.

Subd. 2. [IMMEDIATE.] Minnesota Statutes 1990, sections 124.493, subdivision 2; 136D.28; 136D.30; 136D.89; 136D.91; and Laws 1990, chapter 562, article 6, section 36, are repealed.

The repeal of Minnesota Statutes, sections 136D.28 and 136D.89, shall not affect any rights or duties relating to bonds issued according to the repealed sections.

Subd. 3. [July 1, 1993.] Minnesota Statutes 1990, sections 121.935, subdivision 5; 121.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

Sec. 68. [EFFECTIVE DATE.]

Sections 2, 3, 6, 7, 8, 9, 12, 14, 16, and 17 are effective for school districts with an effective date of reorganization according to Minnesota Statutes, section 122.22 or 122.23 after June 30, 1990, and for school districts that certified a levy according to Minnesota Statutes, section 124.2725 after July 1, 1989.

Sections 39, 47, 48, 49, 50, 51, 52, 53, 54, 55, 57, 58, 59, and 67, subdivision 2, are effective the day following final enactment.

Sections 4, 5, 20, 22, 23, 24, 25, 26, 28, 30, 31, 32, 33, 41, 42, 43, 44, 45, and 67, subdivision 3, are effective July 1, 1993.

Sec. 69. [RETROACTIVE EFFECT.]

Notwithstanding the effective date of Laws 1990, chapter 562, article 6, section 6, a district shall pay severance pay, according to section 18, to a teacher who was placed on unrequested leave of absence as a result of an agreement for secondary education according to Minnesota Statutes 1990, section 122.535, effective on or about the close of the 1989-1990 school year, if the teacher is otherwise eligible according to section 18. The amount of the severance pay is the amount specified in section 18.

ARTICLE 7

OTHER AIDS AND LEVIES

Section 1. [120.0111] [MISSION STATEMENT.]

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners.

Sec. 2. Minnesota Statutes 1990, section 120.101, is amended by adding a subdivision to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruc-

tion for at least the number of days per year required in the following schedule:

- (1) 1995-1996, 172;
- (2) 1996-1997, 174;
- (3) 1997-1998, 176;
- (4) 1998-1999, 178;
- (5) 1999-2000, 180;
- (6) 2000-2001, 182;
- (7) 2001-2002, 184;
- (8) 2002-2003, 186;
- (9) 2003-2004, 188; and
- (10) 2004-2005, and later school years, 190.

Sec. 3. Minnesota Statutes 1990, section 121.585, subdivision 3, is amended to read:

Subd. 3. [HOURS OF INSTRUCTION.] Pupils participating in a program must be able to receive the same total number of hours of instruction they would receive if they were not in the program. If a pupil has not completed the graduation requirements of the district after completing the minimum number of secondary school hours of instruction, the district may allow the pupil to continue to enroll in courses needed for graduation.

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute ~~170~~ the number of days of instruction required under section 120.101, subdivision 5b. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 4. Minnesota Statutes 1990, section 121.608, is amended to read:

121.608 [EDUCATIONAL EFFECTIVENESS PLAN.]

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in ~~the schools~~ early childhood family education programs

through secondary education programs. The plan shall include provisions for the participation of post-secondary teacher preparation programs and early childhood family education programs. The plan shall encourage implementation of educational effectiveness strategies based on research findings in the area, develop in-service programs for school district staff, integrate developments in educational technology with classroom instruction, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in educational effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. The plan shall be revised as necessary.

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 2, is amended to read:

Subd. 2. [RESEARCH AND DEVELOPMENT OF IN-SERVICE PROGRAM.] The commissioner shall administer a research and development program of educational effectiveness and outcome-based education in-service. The advisory task force established in subdivision 1 may recommend modifications in the in-service program as necessary.

Sec. 6. [121.831] [LEARNING READINESS PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] A district or a group of districts may establish a learning readiness program for eligible children.

Subd. 2. [CHILD ELIGIBILITY.] A child is eligible to participate in a learning readiness program if the child is:

- (1) at least four years old but has not entered kindergarten; and
- (2) has participated or will participate in an early childhood screening program according to section 123.702.

A child may participate in a program provided by the district in which the child resides or by any other district.

Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:

- (1) a comprehensive plan to coordinate social services to provide for the needs of participating families and for collaboration with agencies or other community-based organizations providing services to families with young children;

(2) a development and learning component to help a child develop socially, intellectually, physically, and emotionally in a manner appropriate to the child;

(3) health referral services to address the medical, dental, mental health, and nutritional needs of the children;

(4) a nutrition component to meet the nutritional needs of the children; and

(5) involvement of parents in the educational, health, social service, and other needs of the children.

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs may include the following:

(1) an individualized service plan to meet the individual needs of each child;

(2) participation by families who are representative of the racial, cultural, and economic diversity of the community;

(3) parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;

(4) substantial parent involvement, that may include developing curriculum or serving as a paid or volunteer educator, resource person, or other staff;

(5) identification of the needs of families with respect to the child's learning readiness;

(6) a plan to expand collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to promote the development of a coordinated system of services available to all families with eligible children;

(7) coordination of treatment and follow-up services for all identified physical and mental health problems;

(8) staff and program resources, including interpreters, that reflect the racial and ethnic population of the children in the program;

(9) transportation for eligible children and their parents for whom other forms of transportation are not available or would constitute an excessive financial burden; and

(10) substantial outreach efforts to assure participation by families with greatest needs.

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] Whenever possible, a district may contract with a public organization or nonprofit organization providing developmentally appropriate services meeting one or more of the program requirements in subdivision 3, clauses (1) to (4). A district may also pay tuition or fees to place an eligible child in an existing program or establish a new program. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not limit participation to residents of the district.

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] The district shall optimize coordination of the learning readiness program with existing service providers located in the community. To the extent possible, resources shall follow the children based on the services needed, so that children have a stable environment and are not moved from program to program.

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council which shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. The school board shall:

(1) appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; or

(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.

Subd. 8. [PRIORITY CHILDREN.] The district shall give high priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.

Subd. 10. [SUPERVISION.] A program provided by a school board shall be supervised by a licensed early childhood teacher or a certified early childhood educator. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised according to the terms of the contract.

Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program.

Subd. 12. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. [ADDITIONAL REVENUE.] A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 7. Minnesota Statutes 1990, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 8. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11. [PUPILS AT A DISTANCE FROM AN ELIGIBLE INSTITUTION.] A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Sec. 9. Minnesota Statutes 1990, section 123.951, is amended to read:

123.951 [SCHOOL SITE MANAGEMENT AGREEMENT.]

(a) A school board may enter into an agreement with a school site

management team concerning the governance, management, or control of a any school in the district. Upon a written request from a proposed school site management team, an initial school site management team shall be appointed by the school board and shall may include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, ~~and~~ or others determined appropriate by the board. The ~~permanent~~ school site management team shall ~~consist of at least~~ include the school principal and representatives elected by each group represented on the initial team or other person having general control and supervision of the school.

The school board may delegate any of its powers or duties to the school site management team.

(b) School site management agreements must focus on creating management teams and in involving staff members in decision making.

(c) An agreement may include:

(1) a strategic plan for districtwide decentralization of resources developed through staff participation;

(2) a decision-making structure that allows teachers to identify problems and the resources needed to solve them; and

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how resources are best allocated and to act as advocates for additional resources on behalf of the entire school.

(d) Any powers or duties not ~~specifically~~ delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 10. Minnesota Statutes 1990, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least ~~175~~ the number of days required in subdivision 1b, not including summer school, or the equivalent in a district operating a

flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between ~~175~~ the required number of days and the number of days school is held bears to ~~175~~ the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, ~~not more than five days may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 1b.~~ For kindergarten, ~~not more than ten days may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.~~

Sec. 11. Minnesota Statutes 1990, section 124.19, is amended by adding a subdivision to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

(1) 1995-1996, 177;

(2) 1996-1997, 179;

(3) 1997-1998, 181;

(4) 1998-1999, 183;

(5) 1999-2000, 185;

(6) 2000-2001, 187;

(7) 2001-2002, 189;

(8) 2002-2003, 191;

(9) 2003-2004, 193; and

(10) 2004-2005, and later school years, 195.

Sec. 12. Minnesota Statutes 1990, 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 124C.49.

(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.

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 paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by ~~1,020 hours~~ the product of the number of instructional days required for that year and six, but not more than one, except as otherwise provided in section 121.585.

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.

Sec. 13. [124.2615] [LEARNING READINESS AID.]

Subdivision 1. [PROGRAM REVIEW AND APPROVAL.] By February 15, 1991, for the 1991-1992 school year or by January 1 of subsequent school years, a district must submit to the commissioners of education, health, human services, and jobs and training:

(1) a description of the services to be provided;

(2) a plan to ensure children at greatest risk receive appropriate services;

(3) a description of procedures and methods to be used to coordinate public and private resources to maximize use of existing community resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development;

(4) comments about the district's proposed program by the advisory council required by section 6, subdivision 7; and

(5) agreements with all participating service providers.

Each commissioner may review and comment on the program, and make recommendations to the commissioner of education, within 30 days of receiving the plan.

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. For fiscal year 1992, the aid is equal to:

(1) \$200 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1993 and thereafter, a district shall receive learning readiness aid equal to:

(1) \$500 times the number of all participating eligible children; plus

(2) \$200 times the number of participating eligible children identified according to section 6, subdivision 8.

Subd. 3. [USE OF AID.] Learning readiness aid shall be used only to provide a learning readiness program and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Subd. 4. [SEPARATE ACCOUNTS.] The district shall deposit learning readiness aid in a separate account within the community education fund.

Sec. 14. [124C.10] [CITATION.]

Sections 15 and 16 may be cited as the Minnesota local partnership act.

Sec. 15. [124C.11] [PURPOSE OF THE MINNESOTA LOCAL PARTNERSHIP ACT.]

The purpose of the Minnesota local partnership act is to design methods to focus on the development and learning of children and youth in Minnesota in the 1990's and the next century. Cooperation and collaboration of all services, including education, health, and human services for children and youth will be encouraged at the local and state level. The program will provide incentives to design a system of child-focused coordinated services to enhance the learning and development of individual children and youth.

Sec. 16. [124C.12] [MINNESOTA LOCAL PARTNERSHIP PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program is established under the direction of the state board of education, with the cooperation of the commissioners of education, health, and human services. It is expected that participants and other districts will become exemplary districts by the year 2000.

Subd. 2. [ELIGIBILITY.] An applicant for revenue may be any one of the following:

(1) a school district located in a city of the first class offering a program in cooperation with other districts or by itself, in one or more areas in the district or in the entire district;

(2) at least two cooperating school districts located in the seven-county metropolitan area but not located in a city of the first class;

(3) a group of school districts that are all members of the same education district;

(4) an education district;

(5) a group of cooperating school districts none of which are members of any education district; or

(6) a school district.

Subd. 3. [COMMUNITY EDUCATION COUNCIL.] Each revenue recipient must establish one or more community education councils. A community education council may be composed of elected representatives of local governments, an education district board, school boards, human service providers, health providers, education providers, community service organizations, clergy, local education sites, and local businesses. The community education council shall plan for the education, human service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. A council formed under this subdivision may be an expansion of and replace the community education advisory council required by section 121.88, subdivision 2.

Subd. 4. [APPLICATION PROCESS.] To obtain revenue, a district or districts must submit an application to the state board in the form and manner established by the state board. Additional information may be required by the state board.

Subd. 5. [REVENUE.] The state board may award revenue to up to four applicants. The board may determine the size of the award based upon the application. Recipients must be located throughout the state.

Subd. 6. [PROCEEDS OF REVENUE.] Revenue may be used for initial planning expenses and for implementing child-focused learning and development programs.

Sec. 17. Minnesota Statutes 1990, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall adopt rules to license public school teachers and interns subject to chapter 14. The board shall adopt rules for examination of teachers, as defined in section 125.03,

subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board shall adopt rules to approve teacher education programs. The board of teaching shall provide the leadership and shall adopt rules by October 1, 1988, for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teaching education program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

These rules shall ~~encourage~~ require teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain a periodic exposure to the elementary or secondary teaching experience environment. The board shall also grant licenses to interns and to candidates for initial licenses. The board shall design and implement an assessment system which requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of technical colleges.

Sec. 18. Minnesota Statutes 1990, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after the effective date of this section must expire by June 30, 1996.

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher education curriculum more consistent with the purpose of state public education. The revised teacher education curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher education programs to implement a research-based, results-oriented curriculum. The revised teacher education curriculum may include a requirement that teacher education

programs contain a one-year mentorship program. The mentorship program must provide students with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers, including mentor teachers. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993, the board of teaching and the state board of education shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature, including amending board rules governing the issuing, expiring, and renewing of teacher licenses.

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher education curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.

Subd. 4b. Prior to the adoption by the board of teaching of any rule which must be submitted to public hearing, a representative of the commissioner shall appear before the board of teaching and at the hearing required pursuant to section 14.14, subdivision 1, to comment on the cost and educational implications of that proposed rule.

Sec. 19. [125.1885] [ALTERNATIVE PREPARATION LICENSING FOR ADMINISTRATORS.]

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to a graduate program in education administration for public school administrators to acquire an entrance license is established. The program may be offered in any administrative field.

(b) To participate in the alternative preparation program, the candidate must:

(1) have a master's degree in an administrative area;

(2) have been offered an administrative position in a school district, group of districts, or an education district approved by the state board of education to offer an alternative preparation licensure program;

(3) have five years of experience in a field related to administration; and

(4) document successful experiences working with children and adults.

(c) An alternative preparation license is of one year duration and is issued by the state board of education to participants on admission to the alternative preparation program.

Subd. 2. [CHARACTERISTICS.] The alternative preparation program has the characteristics enumerated in this subdivision:

(1) staff development conducted by a resident mentorship team made up of administrators, teachers, and post-secondary faculty members;

(2) an instruction phase involving intensive preparation of a candidate for licensure before the candidate assumes responsibility for an administrative position;

(3) formal instruction and peer coaching during the school year;

(4) assessment, supervision, and evaluation of a candidate to determine the candidate's specific needs and to ensure satisfactory completion of the program;

(5) a research-based and results-oriented approach focused on skills administrators need to be effective;

(6) assurance of integration of education theory and classroom practices; and

(7) the shared design and delivery of staff development between school district personnel and post-secondary faculty.

Subd. 3. [PROGRAM APPROVAL.] (a) The state board of education shall approve alternative preparation programs based on criteria adopted by the board, after receiving recommendations from an advisory task force appointed by the board.

(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a graduate program in educational administration for public school administrators.

Subd. 4. [APPROVAL FOR STANDARD ENTRANCE LICENSE.] The resident mentorship team must prepare for the state board of education 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. 5. [STANDARD ENTRANCE LICENSE.] The state board of education 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. 6. [QUALIFIED ADMINISTRATOR.] A person with a valid alternative preparation license is a qualified administrator within the meaning of section 125.04.

Sec. 20. [125.189] [LICENSURE REQUIREMENTS.]

In addition to other requirements, a candidate for a license or an applicant for a continuing license to teach hearing-impaired students in kindergarten through grade 12 must demonstrate the minimum level of proficiency in American sign language as determined by the Quality Assurance Systems Project of the department of education.

Sec. 21. Minnesota Statutes 1990, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 85 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 22. Minnesota Statutes 1990, section 126.661, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL LEARNER OUTCOMES.] "Essential learner outcomes" means the specific basic learning experiences that must be are provided for all students and are used as the basis for assessing educational progress statewide.

Sec. 23. Minnesota Statutes 1990, section 126.661, is amended by adding a subdivision to read:

Subd. 7. [OUTCOME-BASED EDUCATION.] Outcome-based ed-

ucation is a pupil-centered, results-oriented system premised on the belief that all individuals can learn. In this system:

- (1) what a pupil is to learn is clearly identified;
- (2) each pupil's progress is based on the pupil's demonstrated achievement;
- (3) each pupil's needs are accommodated through multiple instructional strategies and assessment tools; and
- (4) each pupil is provided time and assistance to realize her or his potential.

Sec. 24. Minnesota Statutes 1990, section 126.663, subdivision 2, is amended to read:

Subd. 2. [STATE LEARNER OUTCOMES.] The state board of education, with the assistance of the state curriculum advisory committee ~~and the office on educational leadership~~, shall identify and adopt learner goals, essential learner outcomes, and integrated learner outcomes for curriculum areas, under section 120.101, subdivision 6, including the curriculum areas of communication skills, fine arts, mathematics, science, social studies, and health and physical education, and for career vocational curricula. Learner outcomes shall include thinking and problem solving skills. Learner outcomes shall consist of a sequence of outcomes beginning with early childhood programs through secondary education programs.

Sec. 25. Minnesota Statutes 1990, section 126.663, subdivision 3, is amended to read:

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in ~~kindergarten to~~ early childhood through grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 26. Minnesota Statutes 1990, 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 district advisory committee, to the extent possible, shall be representative of the diversity of the community served by the district and the learning sites within the district, and include principals, teachers, parents, support staff, pupils, and other community residents. The district may establish building teams as subcommittees of the district advisory committee. The district committee shall retain responsibility for recommending to the school board districtwide learner outcomes, assessments, and program evaluations. Learning sites may establish expanded curriculum, assessments, and program evaluations. Whenever possible, parents 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 and learning site needs and priorities.

Sec. 27. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4a. [STUDENT EVALUATION.] The school board shall annually provide high school graduates or GED recipients who received a diploma or its equivalent from the school district with an opportunity to report to the board on the following:

- (1) the quality of district instruction and services;
- (2) the quality of district delivery of instruction and services;
- (3) the utility of district facilities; and
- (4) the effectiveness of district administration.

Sec. 28. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4b. [PERIODIC REPORT.] Each school district at least once per six school years shall collect consumers' opinions, including the opinions of currently enrolled students, parents, and other district residents, regarding their level of satisfaction with their school experience. The district shall report the results of the consumer evaluation according to the requirements of subdivision 4.

Sec. 29. Minnesota Statutes 1990, section 126.67, subdivision 2b, is amended to read:

Subd. 2b. [DISTRICT ASSESSMENTS.] As part of the PER process, each year a district shall, in at least three grades or for three age levels, conduct assessments among at least a sample of pupils for each subject area in that year of the curriculum review cycle. The

district's curriculum review cycle shall not exceed six years. Assessments may not be conducted in the same curriculum area for two consecutive years. The district may use tests from the assessment item bank, the local assessment program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward achieving the state core board adopted essential learner outcomes in each subject area at least once during the curriculum review cycle. Funds are provided for districts that choose to use the local assessment program or the assessment item bank.

Sec. 30. Minnesota Statutes 1990, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 for staff time for peer review under section 125.12 or 125.17, or if it establishes a an outcome-based staff development advisory committee and adopts a staff development plan on outcome-based education according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include ~~representatives of parents, and administrators.~~ The advisory committee shall develop a staff development plan containing proposed outcome-based education activities and related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Copies of approved plans must be submitted to the commissioner.

Sec. 31. Minnesota Statutes 1990, section 126.70, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF THE PLAN.] The plan may include:

(1) procedures the district will use to analyze and identify teaching and curricular outcome-based education needs, including the need for mentor teachers;

(2) short- and long-term curriculum and staff development needs;

(3) integration with in-service and curricular efforts already in progress;

(4) (3) goals to be achieved and the means to be used; and

(5) (4) procedures for evaluating progress; and

(6) whether the school board intends to offer contracts under the excellence in teaching program.

Sec. 32. Minnesota Statutes 1990, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan ~~for~~ to accomplish 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 foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;~~

(2) ~~to participate in the educational effectiveness program according to section 121.609 facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;~~

(3) ~~to provide in-service education for elementary and secondary teachers to improve the use of technology in education develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;~~

(4) ~~to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;~~

(5) ~~to use experienced teachers, as mentors, to assist in the continued development of new teachers; evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; and~~

(6) ~~to increase the involvement of parents, business, and the community in education, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;~~

(7) ~~for experimental delivery systems;~~

(8) ~~for in-service education to increase the effectiveness of principals and administrators;~~

(9) ~~for in-service education or curriculum development for programs for gifted and talented pupils;~~

(10) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;

(11) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.666;

(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;

(13) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(14) for short-term contracts as described in section 126.72; or

(15) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers.

Sec. 33. Minnesota Statutes 1990, section 260.015, subdivision 19, is amended to read:

Subd. 19. [HABITUAL TRUANT.] "Habitual truant" means a child under the age of 16 years ~~through the 1999-2000 school year and under the age of 18 beginning with the 2000-2001 school year~~ who is absent from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Sec. 34. [LEARNING READINESS PROGRAM REPORT.]

Each school district receiving learning readiness aid shall report to the commissioner of education by January 1 of 1992 and 1993 about the types of services provided through the program, progress made by participating children, the number of participating children receiving services without charge, the number of participating children paying reduced fees, the number of participating children paying the full fee, total expenditures for services, and the amount of money and in-kind services received from public or private organizations. A district shall report actual information to the extent the information is available, and other information as required in section 13, subdivision 1.

Sec. 35. [STATE BOARD RECOMMENDATIONS.]

By February 1, 1993, the state board of education shall present to

the education committees of the legislature recommendations for integrating education funding and the achievement of state and local outcomes.

Sec. 36. [RULE REVIEW.]

Subdivision 1. [REPORT.] The state board of education shall review each board rule to determine whether it is necessary, reasonable, and cost-effective and whether it is consistent with legislative policy adopted since the rule was enacted. The board shall report to the education committees of the legislature by January 1, 1993, on any amendment required to make a rule necessary, reasonable, or cost-effective or consistent with legislative policy and on any rule required to be repealed.

Subd. 2. [STAFF] The commissioner of education shall provide staff assistance to the state board of education, at the request of the board, to complete the report required under subdivision 1.

Sec. 37. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, outcome-based education has the meaning given it in Minnesota Statutes, section 126.661, subdivision 7.

Subd. 2. [ESTABLISHMENT.] A process for contracting between a public school, school district, or group of districts and the department of education to develop outcome-based education programs is established. The purpose of the contract is to enable public schools, school districts, and groups of districts to develop outcome-based programs that improve pupils' educational achievement through instructional opportunities that recognize pupils' individual needs.

Subd. 3. [ELIGIBILITY.] A school, school district, or group of districts seeking to contract with the department to develop an outcome-based education program must agree to serve as a demonstration site during the term of the contract and for a minimum of one school year after the expiration date of the contract.

Subd. 4. [CONTRACTING PROCESS.] The commissioner of education shall establish an outcome-based education contract committee of qualified department staff to determine the areas to be included in the outcome-based education program contracts and other contract terms and conditions. The committee, after consulting with the commissioner and the state board of education, shall determine the form and manner by which a school, a school district, or a group of districts may seek a contract. The committee shall disseminate information about the contracts and the contracting process.

Subd. 5. [CONTRACT APPROVAL.] By October 1 of the current school year, the committee shall award outcome-based education program contracts to qualified schools, school districts, or groups of districts. In awarding contracts, the committee shall consider the geographical location of the school, school district, or group of districts seeking the contract, whether the outcome-based education program would be available to elementary, middle, or secondary pupils and the areas to be included in the outcome-based education program. For programs addressing specific subject areas, the outcome-based education contract committee shall consult with curriculum experts in those subject areas to evaluate those program proposals.

Subd. 6. [CONTRACT FUNDS.] Any unexpended contract funds awarded to a school, school district, or group of districts in one fiscal year do not cancel but are available in the next fiscal year.

Subd. 7. [EVALUATION.] The commissioner shall provide for an evaluation of the demonstration site programs and shall disseminate throughout the state information on the components of successful outcome-based education programs.

Sec. 38. [AID TRANSFER.]

A district that has established a designated account for early childhood programs in fiscal year 1991 for revenue from a referendum levy authorized in November 1990 under Minnesota Statutes, section 124A.03, may transfer learning readiness aid from the community service fund to the general fund.

Sec. 39. [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 years indicated.

Subd. 2. [TEACHER EDUCATION IMPROVEMENT.] For board of teaching responsibilities specified in Minnesota Statutes, section 125.185, subdivisions 4 and 4a:

\$165,000 1992

Any balance in the first year does not cancel but is available in the second year. This appropriation is only available if teacher license fees are increased to raise an equivalent amount.

Sec. 40. [HECB APPROPRIATION.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The sums indicated in this section are appropriated from

the general fund to the higher education coordinating board for the fiscal years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] To the higher education coordinating board, for scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$214,000 1992

\$214,000 1993

Of this appropriation, any amount required by the higher education coordinating board may be used for the board's costs of administering the program.

Sec. 41. [DEPARTMENT OF EDUCATION APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [AREA LEARNING CENTER GRANTS.] For grants to area learning centers:

\$150,000 1992

\$150,000 1993

Subd. 3. [ARTS PLANNING GRANTS.] For grants for arts planning according to Minnesota Statutes, section 124C.08:

\$38,000 1992

\$38,000 1993

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs according to section 37:

\$675,000 1992

\$675,000 1993

\$55,000 each year is for evaluation and administration of the program.

Sec. 42. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [LEARNING READINESS PROGRAM REVENUE.] For revenue for learning readiness programs:

\$ 8,000,000 1992

\$20,000,000 1993

Any excess appropriations from fiscal year 1992 shall be allocated among school districts providing learning readiness programs according to the proportion of aid determined under section 13, subdivision 2, for a school district to the amount of aid determined under section 13, subdivision 2, for all school districts providing learning readiness programs. The total amount of aid paid to a school district shall not exceed \$2,000 per participating eligible child.

The 1992 appropriation includes \$8,000,000 for 1992.

The 1993 appropriation includes \$3,000,000 for 1992 and \$17,000,000 for 1993.

Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 3. [MINNESOTA LOCAL PARTNERSHIP REVENUE.] For revenue for the Minnesota local partnership act:

\$100,000 1992

Up to \$5,000 may be used for the expenses of a task force to advise the state board about the program and to make recommendations to the state board about revenue applications.

The amount appropriated is available until June 30, 1992.

Sec. 43. [REPEALER.]

(a) Minnesota Statutes 1990, sections 120.011 and 121.111 are repealed.

(b) Minnesota Statutes 1990, section 124C.41, subdivisions 6 and 7, are repealed effective July 1, 1991. In the next edition of Minnesota Statutes, the revisor of statutes shall change the first

grade and section headnotes to read "Teacher Centers" to reflect the changes made by the repealer in this paragraph.

Sec. 44. [EFFECTIVE DATE.]

Section 8 is effective July 1, 1993. Section 20 is effective August 1, 1994.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. [3.873] [LEGISLATIVE COMMISSION ON CHILDREN, YOUTH, AND THEIR FAMILIES.]

Subdivision 1. [ESTABLISHMENT.] A legislative commission on children, youth, and their families is established to study state policy and legislation affecting children and youth and their families. The commission shall make recommendations about how to ensure and promote the present and future well-being of Minnesota children and youth and their families, including methods for helping state and local agencies to work together.

Subd. 2. [MEMBERSHIP AND TERMS.] The commission consists of 16 members that reflect a proportionate representation from each party. Eight members from the house shall be appointed by the speaker of the house and eight members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The membership must include members of the following committees in the house and the senate: health and human services, governmental operations, education, judiciary, and appropriations or finance. The commission must have representatives from both rural and metropolitan areas. The terms of the members are for two years beginning on January 1 of each odd-numbered year.

Subd. 3. [OFFICERS.] The commission shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. When the chair is from one body, the vice-chair must be from the other body.

Subd. 4. [STAFF.] The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

(d) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

(e) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor.

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under article 6, section 31. The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993. The commission shall submit a progress report by January 1, 1992.

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision.

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and

coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services.

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, head-start, child care, and early childhood family education.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

Subd. 8. [EXPENSES AND REIMBURSEMENTS.] The per diem and mileage costs of the members of the commission must be reimbursed as provided in section 3.101. The health and human services, governmental operations, education, judiciary, and appropriations or finance committees in the house and the senate shall share equally the responsibility to pay commission members' per diem and mileage costs from their committee budgets.

Subd. 9. [EXPIRATION.] The commission expires on June 30, 1994.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

Subd. 7. [UNEMPLOYMENT RESERVE BALANCE.] The reserved fund balance for unemployment insurance as of June 30 of each year may not exceed \$10 times the number of pupil units for that year. The department shall reduce the levy certified by the district, according to section 275.125, subdivision 4, the following year for obligations under section 268.06, subdivision 25, by the amount of the excess.

Sec. 3. [123.709] [CHEMICAL ABUSE PREVENTION PROGRAM.]

Subdivision 1. [DEFINITION.] "Targeted children and young people" means those individuals, whether or not enrolled in school, who are under 21 years of age and who are susceptible to abusing chemicals. Included among these individuals are those who:

- (1) are the children of drug or alcohol abusers;
- (2) are at risk of becoming drug or alcohol abusers;
- (3) are school dropouts;
- (4) are failing in school;
- (5) have become pregnant;
- (6) are economically disadvantaged;
- (7) are victims of physical, sexual, or psychological abuse;
- (8) have committed a violent or delinquent act;
- (9) have experienced mental health problems;
- (10) have attempted suicide;
- (11) have experienced long-term physical pain due to injury;
- (12) have experienced homelessness;
- (13) have been expelled or excluded from school under sections 127.26 to 127.39; or
- (14) have been adjudicated children in need of protection or services.

Subd. 2. [PURPOSE.] Schools, school districts, groups of school districts, community groups, or other regional public or nonprofit entities may contract with the commissioner of education to provide programs to prevent chemical abuse and meet the developmental needs of targeted children and young people, and to help these individuals overcome barriers to learning.

Subd. 3. [OBJECTIVES.] The commissioner of education may enter into contracts to:

(1) train individuals to work with targeted children and young people;

(2) expand the ability of the community to meet the needs of targeted children and young people and their families by locating appropriated services and resources at or near a school site; and

(3) involve the parents and other family members of these targeted children and young people more fully in the education process.

Subd. 4. [CONTRACT TERMS.] The commissioner may enter into contracts for programs that the commissioner determines are meritorious and appropriate and for which revenue is available. All contractors must offer vocational training or employment services, health screening referrals, and mental health or family counseling. A contractor receiving funds in one fiscal year may carry forward any unencumbered funds into the next fiscal year.

Subd. 5. [COMMISSIONER'S ROLE.] (a) The commissioner shall develop criteria, which the commissioner shall periodically evaluate, for entering into program contracts.

(b) The criteria must include:

(1) targeted 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) integrating the cultural and linguistic diversity of the community into the school environment;

(4) involving targeted children and young people and their families in planning and implementing programs;

(5) facilitating meaningful collaboration among the service providers located at or near a school site;

(6) locating programs throughout the state; and

(7) serving diverse populations of targeted children and young people, with a focus on children through grade 3.

Subd. 6. [EVALUATION.] The commissioner shall evaluate contractors' programs and shall disseminate successful program components statewide.

Sec. 4. [124.278] [MINORITY TEACHER INCENTIVES.]

Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:

- (1) a minority enrollment of more than ten percent; or
- (2) a desegregation plan approved by the state board of education.

Subd. 2. [ELIGIBLE EMPLOYEE.] The following employees are eligible for reimbursement under this section:

- (1) a teacher who is a member of a minority group and who has not taught in a Minnesota school district during the school year before the year the teacher is employed according to this section; and
- (2) an aide or an education assistant who is a member of a minority group and who has not been employed as an aide or an education assistant in a Minnesota school district during the school year before the year the aide or education assistant is employed according to this section.

Subd. 3. [REIMBURSEMENT.] Reimbursement shall equal one-half of the salary and fringe benefits, but not more than \$20,000. The district shall receive reimbursement for each year a minority teacher, aide, or education assistant is employed. The department of education shall establish application or other procedures for districts to obtain the reimbursement. The department shall not prorate the reimbursement.

Subd. 4. [MINORITY GROUP.] For the purposes of this section, a person is a member of a minority group if the person is African American, American Indian, Asian Pacific American, or an American of Mexican, Puerto Rican, or Spanish origin or ancestry.

Sec. 5. Minnesota Statutes 1990, section 124.646, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7-5 6.5 cents for each full paid, reduced, and free student lunch served to students in the district.

Subd. 2. School districts shall not be paid by the state for free or reduced price type "A" lunches served by the district.

Subd. 3. School districts shall apply to the state department of education for this payment on forms provided by the department.

Subd. 4. [SCHOOL FOOD SERVICE FUND.] (a) The expenses

described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program, including the costs attributable to the superintendent and the financial manager must be charged to the general fund.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year.

Sec. 6. Minnesota Statutes 1990, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which:

(1) at least 40 percent of the school lunches served during the 1989-1990 second preceding school year were served free or at a reduced price; or

~~(2) at least 15 percent of the children in the school would take part in the program, as indicated by a survey of the parents in the school.~~

Sec. 7. Minnesota Statutes 1990, section 125.231, is amended to read:

125.231 [TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.]

Subdivision 1. [TEACHER MENTORING PROGRAM.] School districts are encouraged to participate in a competitive grant program that explores the potential of various teacher mentoring programs for teachers new to the profession or district, or for teachers with special needs.

Subd. 2. [TEACHER MENTORING TASK FORCE.] The commissioner shall appoint and work with a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association, administrators association, board of teaching, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by minority populations of color shall reflect the proportion of minorities people of color in the public schools.

The task force shall:

~~(1) make recommendations 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;~~

~~(2) determine ways in which teachers can be empowered through expanding to new and more professional roles; and~~

~~(3) develop the application forms, criteria, and procedures for the mentorship program;~~

(2) select sites to receive grant funding; and

(3) provide ongoing support and direction for program implementation.

Subd. 3. [APPLICATIONS.] The commissioner of education shall make application forms available by October 1, 1987 to sites interested in developing or expanding a mentorship program. By December 1, 1987, A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. By January 1, 1988, The commissioner, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the

extent possible, the approved applications must reflect a variety of ~~mentorship program models~~ effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The commissioner of education shall encourage the selected sites to consider the use of the assessment procedures developed by the board of teaching.

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts.

Subd. 5. [ADDITIONAL FUNDING.] Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations for a system of incentives are being implemented at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and shall recommend ways to expand and enhance the responsibilities of teachers.

By January 1 of 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Subd. 7. [PROGRAM IMPLEMENTATION.] New and expanding mentorship sites that are funded to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. The department of education must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media,

training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate in some activities and services. Fees may be charged for meals, materials, and the like.

Sec. 8. Minnesota Statutes 1990, section 126.113, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture leadership council is established to promote education about agriculture.

Sec. 9. Minnesota Statutes 1990, section 126.113, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The council must be appointed by the governor and has 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Council terms and removal of members are as provided in section 15.0575. ~~Council members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.~~ The council is governed by an executive board of directors. The council may organize and appoint committees as it considers necessary.

Sec. 10. Minnesota Statutes 1990, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$510~~ \$560 a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$380~~ \$430.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 11. Minnesota Statutes 1990, section 141.26, subdivision 5, is amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$190~~ \$210.

Sec. 12. Minnesota Statutes 1990, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5;

(3) ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. ~~Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.~~

Sec. 13. Minnesota Statutes 1990, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the

amount certified, unless. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board determines that may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to. The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 14. [NONOPERATING FUND TRANSFERS.]

On June 30, 1992, a school district may permanently transfer money from the capital expenditure fund and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. No levies shall be reduced as a result of a transfer. Each district transferring money according to this section shall report to the commissioner of education a report of each transfer. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 15. [FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, in fiscal year 1992, the reserved fund balance for unemployment insurance that exceeds \$10 times the number of pupil units in the district during the 1990-1991 school year as of June 30, 1991, remaining, after the levy for unemployment insurance is reduced by the department of education, shall be transferred to the capital expenditure fund or the transportation fund.

Sec. 16. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "education and employment transitions" means those processes and structures that provide an individual with awareness of employment opportunities, demonstrate the relationship between education and employment and the applicability of education to employment, identify an individual's employment interests, and assist the individual to make transitions between education and employment.

Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] The state council on vocational technical education shall establish a task force on education and employment transitions.

Subd. 3. [PLAN.] The task force shall develop a statewide plan for implementing programs for education and employment transitions. The plan shall identify:

(1) existing public and private efforts in Minnesota that assist students to make successful transitions between education and employment;

(2) programs in other states and countries that are successfully preparing individuals for employment;

(3) how to overcome barriers that may prevent public and private collaboration in planning and implementing programs for education and employment transitions;

(4) the role of public and private groups in education and employment transitions;

(5) new processes and structures to implement statewide programs for education and employment transitions;

(6) how to integrate programs for education and employment transitions and outcome-based education initiatives;

(7) how to implement programs for education and employment transitions in Minnesota; and

(8) models for administrative and legislative action.

Subd. 4. [MEMBERSHIP.] The task force shall include:

(1) the members of the higher education advisory council under

Minnesota Statutes, section 136A.02, subdivision 6, or members' designees;

(2) the executive director of the higher education coordinating board or the executive director's designee;

(3) the commissioner of jobs and training or the commissioner's designee;

(4) the commissioner of trade and economic development or the commissioner's designee;

(5) the commissioner of human services or the commissioner's designee;

(6) the commissioner of labor and industry or the commissioner's designee;

(7) up to ten members who represent the interests of education, labor, business, agriculture, trade associations, local service units, private industry councils, and appropriate community groups selected by the state council on vocational technical education;

(8) two members from the house of representatives, appointed by the speaker of the house of representatives; and

(9) two members from the senate, appointed by the subcommittee on committees of the committee on rules and administration.

Subd. 5. [PLAN DESIGN.] The state council on vocational technical education shall select up to nine members appointed to the task force who represent the interests of business, labor, community, and education to serve as a plan design group to develop the plan described in subdivision 3. The task force shall make recommendations to the plan design group on the merits of the plan design.

Subd. 6. [ASSISTANCE OF AGENCIES.] Task force members may request information and assistance from any state agency or office to enable the task force to perform its duties.

Subd. 7. [REPORT AND RECOMMENDATION.] The task force shall provide an interim report describing its progress to the legislature by February 15, 1992. The task force shall report its plan and recommendations to the legislature by January 15, 1993.

Sec. 17. [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. [FELLOWSHIP GRANTS.] For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000 1993

A grant must not 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.

Sec. 18. [STATE BOARD OF TECHNICAL COLLEGES APPROPRIATION.]

Subdivision 1. [STATE BOARD OF TECHNICAL COLLEGES.] The sum indicated in this section is appropriated from the general fund to the state board of technical colleges for the state council on vocational technical education for the fiscal year designated.

Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] For the task force on education and employment transitions:

\$40,000 1992

The appropriation is available until June 30, 1993.

The commissioner of education and the chancellor of the technical college system shall provide additional resources, as necessary, through the use of money appropriated to the state under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, Public Law Number 101-392, title II, part A, section 201.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

\$6,018,000 1992

\$6,018,000 1993

The 1992 appropriation includes \$902,000 for 1991 and \$5,116,000 for 1992.

The 1993 appropriation includes \$902,000 for 1992 and \$5,116,000 for 1993.

Subd. 3. [INTEGRATION GRANTS.] For grants to districts implementing desegregation plans mandated by the state board:

\$15,844,000 1992

\$15,844,000 1993

\$1,385,200 each year must be allocated to independent school district No. 709, Duluth; \$7,782,300 each year must be allocated to special school district No. 1, Minneapolis; and \$6,676,500 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. [GRANTS FOR COOPERATIVE DESEGREGATION.] For grants to develop interdistrict school desegregation programs:

\$400,000 1992

\$200,000 1993

The commissioner of education shall award grants to school districts to develop pilot interdistrict cooperative programs to reduce segregation, as defined in Minnesota Rules, part 3535.0200, subpart 4, in school buildings.

To obtain a grant, a district that is required to submit a plan under Minnesota Rules, part 3535.0600, with the assistance of at least one adjacent district that is not required to submit a plan, shall submit an application to the commissioner.

The application shall contain a plan for:

(1) activities such as staff development, curriculum development, student leadership, student services, teacher and student exchanges, interdistrict meetings, and orientation for school boards, parents, and the community;

(2) implementation of the activities in clause (1) before possible student transfers occur; and

(3) possible voluntary transfer of students between districts beginning with the 1991-1992 school year.

A grant recipient shall submit a report about its activities.

Subd. 5. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$8,892,000 1992

\$8,892,000 1993

The 1992 appropriation includes \$1,333,000 for 1991 and \$7,559,000 for 1992.

The 1993 appropriation includes \$1,333,000 for 1992 and \$7,559,000 for 1993.

Subd. 6. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$5,925,000 1992

\$5,925,000 1993

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among partici-

pating schools so as not to exceed the total authorized appropriation for that year.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 7. [TOBACCO USE PREVENTION.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252:

\$100,000 1992

The 1992 appropriation includes \$100,000 for 1991.

Subd. 8. [CAREER TEACHER AID.] For career teacher aid according to Minnesota Statutes, section 124.276:

\$750,000 1992

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid may be used for the increased district contribution to the teachers' retirement association and to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Subd. 9. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives:

\$1,000,000 1992

Any unexpended balance remaining in 1992 does not cancel but is available in 1993.

Subd. 10. [TEACHER MENTORSHIP.] For grants to develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$350,000 1992

\$350,000 1993

Any balance in the first year does not cancel and is available for the second year.

Subd. 11. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For operating expenses of the Minnesota education in agriculture leadership council:

\$25,000 1992

Any balance in the first year does not cancel but is available in the second year.

Subd. 12. [MINNESOTA PRINCIPAL ASSESSMENT CENTER.] For the Minnesota principal assessment center:

\$70,000 1992

\$70,000 1993

Subd. 13. [COMPUTER ASSISTED INSTRUCTIONAL STRATEGY GRANTS.] For grants to school districts of up to \$10,000 for each site in a district to purchase, lease, or lease purchase computer assisted instructional strategy software and hardware:

\$250,000 1992

Software obtained with grant money shall include programmed teaching instructions that allow for individualized student learning. The commissioner shall give preference to districts with a high level of low-achieving or at-risk pupils. A grant is contingent upon a district providing money to match the grant money.

The appropriation is available until June 30, 1993.

Subd. 14. [APPROPRIATIONS FOR DISTRICTS.] For grants to certain school districts:

\$115,000 1992

\$ 20,000 1993

\$25,000 in 1992 is for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for handicapped students. The grant must be matched with money from nonstate sources.

\$40,000 in 1992 is for a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06.

\$30,000 in 1992 is for the payment of the obligation of independent school district No. 707, Nett Lake, for transfer to the appropriate state agency for unemployment compensation.

\$20,000 in 1992 and \$20,000 in 1993 is for a grant to independent school district No. 695, Chisholm, for a leadership program.

Subd. 15. [ALCOHOL-IMPAIRED DRIVER.] For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

\$695,000 1992

\$695,000 1993

These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal year 1992 and fiscal year 1993.

Up to \$375,000 each year may be used by the department of education to contract for services to school districts stressing the dangers of driving after consuming alcohol. No more than five percent of this amount may be used for administrative costs by the contract recipients.

Up to \$100,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

Up to \$225,000 and any additional funds each year may be used for chemical abuse prevention grants under section 3.

Subd. 16. [CHILDREN'S COMMISSION.] For the legislative commission on children, youth, and their families:

\$20,000 1992

Any balance in the first year does not cancel but is available in the second year.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 3.865; 3.866; 124.252; 124C.01, subdivision 2; and 124C.41, subdivision 7, are repealed.

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. ~~[WAIVER OF EXCEPTIONS TO DEADLINES.]~~ ~~(a)~~ Notwithstanding subdivision 4, the following pupil application procedures apply:

(a) Upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 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.~~

(b) ~~Notwithstanding subdivision 4, If, as a result of entering into, modifying, or terminating an agreement under section 122.541 or 122.535 entered into after January 1, a pupil is assigned after December 1 to a different school, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district after January 1 but at any time before June July 1 for enrollment beginning the following school year.~~

(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.

For exceptions under this subdivision, the pupil applicant, the pupil's applicant'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. [120.0621] [ENROLLMENT OPTIONS PROGRAMS IN BORDER STATES.]

Subdivision 1. [OPTIONS FOR ENROLLMENT IN ADJOINING

STATES.] Minnesota pupils and pupils residing in adjoining states may enroll in school districts in the other state according to:

(1) section 120.08, subdivision 2; or

(2) this section.

Subd. 2. [PUPILS IN MINNESOTA.] A Minnesota resident pupil may enroll in a school district in an adjoining state if the district is located in a county that borders Minnesota.

Subd. 3. [PUPILS IN BORDERING STATES.] A non-Minnesota pupil who resides in an adjoining state in a county that borders Minnesota may enroll in a Minnesota school district if either the school board of the district in which the pupil resides or state in which the pupil resides pays tuition to the school district in which the pupil is enrolled. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.

Subd. 4. [PROCEDURAL REQUIREMENTS.] Except as otherwise provided in this section, the rights and duties set forth in section 120.062 apply to pupils, parents, and school districts if a pupil enrolls in a nonresident district according to this section.

Subd. 5. [AID ADJUSTMENTS.] The state of Minnesota shall make adjustments to general education aid, capital expenditure facilities aid, and capital expenditure equipment aid according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively, for the resident district of a Minnesota pupil enrolled in another state according to this section. The state of Minnesota shall reimburse the nonresident district, according to section 120.08, subdivision 1, in which a Minnesota pupil is enrolled according to this section.

Subd. 6. [EFFECTIVE IF RECIPROCAL.] This section is effective with respect to South Dakota upon enactment of provisions by South Dakota that are essentially similar to the rights and duties of pupils residing in districts located in all South Dakota counties that border Minnesota. After July 1, 1993, this section is effective with respect to any other bordering state upon enactment of provisions by the bordering state that are essentially similar to the rights and duties of pupils residing in and districts located in all counties that border Minnesota.

Sec. 3. [120.064] [OUTCOME-BASED SCHOOLS.]

Subdivision 1. [PURPOSES.] The purpose of this section is to:

(1) improve pupil learning;

- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; or
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Subd. 2. [APPLICABILITY.] This section applies only to outcome-based schools formed and operated under this section.

Subd. 3. [SPONSOR.] (a) A school board may sponsor an outcome-based school.

(b) A school board may authorize a maximum of two outcome-based schools. No more than a total of eight outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 215.182, subdivision 2, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Subd. 5. [CONTRACT.] The contract for an outcome-based school shall be in writing and contain at least the following:

(1) a description of a program that carries out one or more of the purposes in subdivision 1;

(2) specific outcomes pupils are to achieve under subdivision 10;

(3) admission policies and procedures;

(4) management and administration of the school;

(5) requirements and procedures for program and financial audits;

(6) how the school will comply with subdivisions 8, 13, 15, and 21;

(7) assumption of liability by the outcome-based school;

(8) types and amounts of insurance coverage to be obtained by the outcome-based school; and

(9) the term of the contract which may be up to three years.

Subd. 6. [ADVISORY COMMITTEE.] (a) The state board of education shall appoint an advisory committee comprised of ten members. At least two members shall be African American, two members shall be American Indian, two members shall be Asian Pacific American, and two members shall be Hispanic. One of each of the two members shall reside within the seven-county metropolitan area and one shall reside within Minnesota but outside of the seven-county metropolitan area. In addition, at least one of each of the two members shall be a parent of a child in any of the grades kindergarten through 12. As least five of the ten members shall have family incomes that would make them eligible for free or reduced school lunches.

(b) Each sponsor listed in subdivision 3 shall request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately Caucasian to establish an outcome-based school in which one-half or more of the pupils are expected to be non-Caucasian.

(c) Each sponsor listed in subdivision 3 may request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately

non-Caucasian if requested to do so by the individual or organization.

Subd. 7. [EXEMPTION FROM STATUTES AND RULES.] Except as provided in this section, an outcome-based school is exempt from all statutes and rules applicable to a school board or school district, although it may elect to comply with one or more provisions of statutes or rules.

Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall meet the same health and safety requirements required of a school district.

(b) The school must be located in Minnesota. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.

(c) The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize an outcome-based school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(e) The school may not charge tuition.

(f) The school is subject to and shall comply with chapter 363 and section 126.21.

(g) The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.

(h) The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations are necessary because of the program at the school. The department of education, state auditor, or legislative auditor may conduct financial, program, or compliance audits.

(i) The school is a school district for the purposes of tort liability under chapter 466.

Subd. 9. [ADMISSION REQUIREMENTS.] The school may limit admission to:

- (1) pupils within an age group or grade level;
- (2) people who are eligible to participate in the high school graduation incentives program under section 126.22;
- (3) pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; or
- (4) residents of a specific geographic area if the percentage of the population of non-Caucasian people in the geographic area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, as long as the school reflects the racial and ethnic diversity of that area.

The school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils shall be accepted by lot.

The school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Subd. 10. [PUPIL PERFORMANCE.] An outcome-based school must design its programs to at least meet the outcomes adopted by the state board of education. In the absence of state board requirements, the school must meet the outcomes contained in the contract with the sponsor. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the state board.

Subd. 11. [EMPLOYMENT AND OTHER OPERATING MATTERS.] The school's board of directors shall employ and contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The board may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and nonlicensed employees.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Subd. 12. [HANDICAPPED PUPILS.] The school must comply with sections 120.03 and 120.17 and rules relating to the education of handicapped pupils as though it were a school district.

Subd. 13. [LENGTH OF SCHOOL YEAR.] An outcome-based school shall provide instruction each year for at least the number of days required by section 120.101, subdivision 5. It may provide instruction throughout the year according to sections 120.59 to 120.67 or 121.585.

Subd. 14. [REPORTS.] An outcome-based school must report at least annually to its sponsor and the state board of education the information required by the sponsor or the state board. The reports are public data under chapter 13.

Subd. 15. [TRANSPORTATION.] Transportation for pupils enrolled at a school shall be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in the same district in which the outcome-based school is located. Transportation may be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in a different district.

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization.

Subd. 17. [INITIAL COSTS.] A sponsor may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. A sponsor may not authorize a school before the state board of education has approved the authorization.

Subd. 18. [DISSEMINATE INFORMATION.] The department of education must disseminate information to the public, directly and through sponsors, on how to form and operate an outcome-based school and how to utilize the offerings of an outcome-based school.

Subd. 19. [LEAVE TO TEACH IN A SCHOOL.] If a teacher employed by a school district makes a written request for an extended leave of absence to teach at an outcome-based school, the school district must grant the leave. The school district must grant a leave for any number of years requested by the teacher, and must extend the leave at the teacher's request. The school district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty. Except as otherwise provided in this subdivision and except for section 125.60, subdivision 6a, the leave is governed by section 125.60, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the teachers' retirement association account by paying both the employer and employee contributions based upon

the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Subd. 20. [COLLECTIVE BARGAINING.] Employees of the board of directors of the school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of the school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school are separate from any other units.

Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] (a) The duration of the contract with a sponsor shall be for the term contained in the contract according to subdivision 5. The sponsor, subject to state board of education approval, may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor or the state board may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor, or the state board if the state board is acting to terminate a contract, shall notify the board of directors of the school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the school's board of directors may request in writing an informal hearing before the sponsor or the state board within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14 day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor or the state board shall give reasonable notice to the school's board of directors of the hearing date. The sponsor or the state board shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year.

(b) A contract may be terminated or not renewed upon any of the following grounds:

(1) failure to meet the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) for violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed, the school shall be

dissolved according to the applicable provisions of chapter 308A or 317A.

Subd. 22. [PUPIL ENROLLMENT.] If a contract is not renewed or is terminated according to subdivision 21, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 120.062 at any time. Applications and notices required by section 120.062 shall be processed and provided in a prompt manner. The application and notice deadlines in section 120.062 do not apply under these circumstances.

Subd. 23. [GENERAL AUTHORITY.] The board of directors of an outcome-based school may sue and be sued. The board may not levy taxes or issue bonds.

Subd. 24. [IMMUNITY.] The state board of education, members of the state board, a sponsor, members of the board of a sponsor in their official capacity, and employees of a sponsor are immune from civil or criminal liability with respect to all activities related to an outcome-based school they approve or sponsor. The board of directors shall obtain at least the amount of and types of insurance required by the contract, according to subdivision 5.

Sec. 4. Minnesota Statutes 1990, section 120.59, is amended to read:

120.59 [FLEXIBLE SCHOOL PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS; PURPOSE.]

The purpose of sections 120.59 to 120.67 is to authorize ~~school~~ districts to evaluate, plan and employ the use of flexible ~~school~~ learning year programs. It is anticipated that the open selection of the type of flexible ~~school~~ learning year operation from a variety of alternatives will allow each district which seeks to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives shall include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended ~~school~~ learning year plans, flexible all-year plans, and four-day week plans.

Sec. 5. Minnesota Statutes 1990, section 120.60, is amended to read:

120.60 [DEFINITION OF FLEXIBLE LEARNING YEAR.]

"Flexible ~~school~~ learning year program" means any ~~school~~ district plan approved by the state board of education which utilizes ~~school~~ buildings and facilities during the entire year and/or which provides forms of optional scheduling of pupils and ~~school~~ personnel during

the ~~school~~ learning year in elementary and secondary schools or residential facilities for handicapped children.

Sec. 6. Minnesota Statutes 1990, section 120.61, is amended to read:

120.61 [ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.]

The ~~school~~ board of any district, with the approval of the state board of education, may establish and operate a flexible ~~school~~ learning year program in one or more of the ~~schools~~ day or residential facilities for handicapped children within the district.

Sec. 7. Minnesota Statutes 1990, section 120.62, is amended to read:

120.62 [DIVISION OF CHILDREN INTO GROUPS.]

The ~~school~~ board of any district operating a flexible ~~school~~ learning year program in one or more of the ~~schools~~ facilities within the district shall divide the students of each selected ~~school~~ facility into as many groups as necessary to accommodate this program. Students of the same family shall be placed in the same group unless one or more of these students is enrolled in a special education class or unless the parent or guardian of these students requests that the students be placed in different groups. No ~~school~~ board shall discriminate on the basis of race, color, creed, religion, marital status, status with regard to public assistance, sex, or national origin when assigning pupils to attendance groups pursuant to this section.

Sec. 8. Minnesota Statutes 1990, section 120.63, is amended to read:

120.63 [PUBLIC HEARING BEFORE IMPLEMENTATION.]

Prior to implementing a flexible ~~school~~ learning year program in any ~~school~~ facility of the district, the ~~school~~ board shall negotiate with the teachers, principals, assistant principals, supervisory personnel and employees of the ~~school~~ to the extent required by the public employment labor relations act, and shall consult with the parents of pupils who would be affected by the change, and with the community at large. These procedures shall include at least three informational meetings for which the board has given published notice to the teachers and employees and to the parents of pupils affected.

Sec. 9. Minnesota Statutes 1990, section 120.64, is amended to read:

120.64 [ASSIGNMENT OF TEACHERS.]

Subdivision 1. In ~~school~~ districts where a flexible ~~school~~ learning year program is implemented in fewer than all of the ~~schools~~ facilities maintained by the ~~school~~ district, the board of the ~~school~~ district shall make every reasonable effort to assign qualified teachers who prefer the ~~regular school~~ a traditional schedule to ~~schools~~ facilities of the same level retaining the ~~regular school~~ a traditional schedule.

Subd. 2. A full-time ~~classroom~~ teacher currently employed by a ~~school~~ district which converts to a flexible ~~school~~ learning year program shall not, without the teacher's written consent, be required to teach under this program (1) more or less than the number of scheduled days or their equivalent the ~~schools~~ facilities of the district were maintained during the year preceding implementation of the flexible ~~school~~ learning year program; (2) in a period of the calendar year substantially different from the period in which the teacher taught during the year preceding implementation of the flexible learning year program.

Subd. 3. In no event shall a teacher's continuing contract rights to a position held the year preceding implementation of a flexible ~~school~~ learning year program or teaching experience earned during a probationary period the year preceding implementation be lost or impaired upon adoption of a flexible ~~school~~ learning year program. If the year of teaching preceding implementation was the end of a probationary period, the continuing contract right to a full year's contract which normally would be acquired for the next succeeding ~~school~~ learning year shall be acquired in the year of adoption of the flexible program.

Subd. 4. Any ~~school~~ district operating a flexible ~~school~~ learning year program shall enter into one contract governing the entire ~~school~~ learning year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of 175 days during a ~~school~~ learning year, each 175 days of employment accrued during any five-year period after the adoption of a flexible learning year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full ~~school~~ learning year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew the teacher's contract by the applicable date, as specified in section 125.12 or 125.17, in the year in which the teacher will complete the requisite number of days for securing a continuing contract shall have a continuing full ~~school~~ learning year contract with the district.

Subd. 5. Continuing contract rights established pursuant to this

section shall not be impaired or lost by the termination of a flexible ~~school~~ learning year program.

Sec. 10. Minnesota Statutes 1990, section 120.65, is amended to read:

120.65 [ESTABLISHMENT AND APPROVAL.]

The state board of education shall:

(1) establish standards and requirements for the qualification of ~~school~~ districts which may operate on a flexible ~~school~~ learning year basis;

(2) establish standards and evaluation criteria for flexible ~~school~~ learning year programs;

(3) prepare and distribute all necessary forms for application by any ~~school~~ district for state authorization for a flexible ~~school~~ learning year program;

(4) review the proposed flexible ~~school~~ learning year program of any qualified ~~school~~ district as to conformity to standards and the evaluation of appropriateness of priorities, workability of procedure and overall value;

(5) approve or disapprove proposed flexible ~~school~~ learning year programs.

Sec. 11. Minnesota Statutes 1990, section 120.66, is amended to read:

120.66 [POWERS AND DUTIES OF THE STATE BOARD.]

Subdivision 1. The state board of education shall:

(1) Promulgate rules necessary to the operation of sections 120.59 to 120.67;

(2) Cooperate with and provide supervision of flexible ~~school~~ learning year programs to determine compliance with the provisions of sections 120.59 to 120.67, the state board standards and qualifications, and the proposed program as submitted and approved;

(3) Provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids;

(4) Consistent with the definition of "average daily membership" in section 124.17, subdivision 2, furnish the board of a district implementing a flexible school learning year program with a formula for computing average daily membership. This formula shall be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

Subd. 2. Sections 120.59 to 120.67 shall not be construed to authorize the state board to require the establishment of a flexible school learning year program in any district in which the school board has not voted to establish, maintain, and operate such a program.

Sec. 12. Minnesota Statutes 1990, section 120.67, is amended to read:

120.67 [TERMINATION OF PROGRAM.]

The school board of any district, with the approval of the state board of education, may terminate a flexible school learning year program in one or more of the schools day or residential facilities for handicapped children within the district. This section shall not be construed to permit an exception to section 120.101 or 124.19.

Sec. 13. Minnesota Statutes 1990, section 121.11, subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE RULES.] The state board may adopt new rules only upon specific authority other than under this subdivision. The state board may amend or repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management that attempt to make better use of community resources or available technology. Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching, the state board of education may grant a variance to its rules governing licensure of teachers for those teachers licensed by the board of teaching. The state board may grant a variance, without the agreement of the board of teaching, to its rules governing licensure of teachers for those teachers it licenses.

Sec. 14. [121.162] [RECEIPTS; FUNDS.]

Subdivision 1. [CONFERENCE AND WORKSHOP FEES.] The commissioner may establish procedures to set and collect fees to defray costs of conferences and workshops conducted by the depart-

ment. The commissioner may keep accounts as necessary within the state's accounting system for the deposit of the conference and workshop fee receipts.

Subd. 2. [APPROPRIATION.] The receipts collected under subdivision 1 are appropriated for payment of expenses relating to the workshops and conferences.

Subd. 3. [CARRY-OVER AUTHORITY.] Unobligated balances under subdivision 1 may be carried over as follows:

(1) when expenditures for which the receipts have been designated occur in the following fiscal year; or

(2) to allow retention of minor balances in accounts for conferences that are scheduled annually.

Subd. 4. [RECEIPTS AND REIMBURSEMENTS.] The commissioner may accept receipts and payments from public and nonprofit private agencies for related costs for partnership or cooperative endeavors involving education activities that are for the mutual benefit of the state, the department, and the other agency. The commissioner may keep accounts as necessary within the state's accounting system. The receipts must be deposited in the special revenue fund.

Sec. 15. Minnesota Statutes 1990, section 121.931, subdivision 6a, is amended to read:

Subd. 6a. [DATA STANDARD COMPLIANCE.] The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data. The department shall develop standard editing checks for data submitted and shall provide these to districts and regional centers.

Sec. 16. Minnesota Statutes 1990, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council and the information policy office of the department of administration, shall approve or disapprove the following, according to the criteria in section 121.937 and rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935; and

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system management information systems pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Sec. 17. Minnesota Statutes 1990, section 121.931, subdivision 8, is amended to read:

Subd. 8. [RULES.] The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 121.932, subdivisions 1 and subdivision 2. The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 18. Minnesota Statutes 1990, section 121.932, subdivision 2, is amended to read:

Subd. 2. [DATA ACQUISITION CALENDAR.] The department of education shall maintain a current annual data acquisition calendar specifying the reports which districts are required to provide to the department, the reports which regional management information centers are required to provide must be provided to the department for their affiliated districts, and the dates when these reports are due.

Sec. 19. Minnesota Statutes 1990, section 121.932, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 14.] Except as provided in section 121.931, subdivision 8, the ~~data element dictionary~~, annual data acquisition calendar, and the essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 20. Minnesota Statutes 1990, section 121.932, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~where it shall be assembled and transmitted~~ or to the department in the form and format prescribed by the department.

Sec. 21. Minnesota Statutes 1990, section 121.933, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of technical colleges, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, ~~by the Minnesota educational computing consortium~~, by a regional management information center or by any other appropriate provider.

Sec. 22. Minnesota Statutes 1990, section 121.934, subdivision 7, is amended to read:

Subd. 7. [ADVISORY DUTIES.] (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

(1) the development of the long-range plan and the systems architecture plan;

(2) the development of applications software for ESV-IS and SDE-IS;

(3) the approval of the creation ~~and alteration~~ of regional management information centers;

(4) the approval ~~of the use by districts~~ of alternative management information systems; and

(5) the statewide applicability of alternative management information systems proposed by districts; ~~and~~

(6) the approval of annual and biennial plans and budgets of regional management information centers; and

(7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

(1) the consistency of the standards for finance, property, student and personnel/payroll data with one another;

(2) the implications of the standards for implementation of ESV-IS and SDE-IS; and

(3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 23. Minnesota Statutes 1990, section 121.935, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center ~~which is not in existence on July 1, 1979~~ shall not come into existence until the first July 1 of ~~an odd-numbered year~~ after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first. Each member of the center board shall be a current member of a member school board.

Sec. 24. Minnesota Statutes 1990, section 121.935, subdivision 4, is amended to read:

Subd. 4. [~~BIENNIAL ANNUAL~~ BUDGET ESTIMATES.] Every regional management information center shall submit to the department by July 1 ~~of each even-numbered year a biennial an~~ annual budget estimate for its administrative and management computer activities. The ~~biennial~~ budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center ~~for the appropriate fiscal years~~. Budget forms developed pursuant to section

16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental ~~biennial~~ budget summary for the statewide elementary, secondary, and vocational management information system. Copies of ~~this supplemental biennial~~ the budget summary shall be provided to the ESV computer council ~~and the department of finance~~, and shall be available to the legislature upon request.

Sec. 25. Minnesota Statutes 1990, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional ~~debt obligations, as defined in section 475.51, for computer hardware~~. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional ~~debt obligation~~. The district is not liable for any additional outstanding regional ~~debt obligations that occurs~~ occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.

Sec. 26. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 8. [COMPUTER HARDWARE PURCHASE.] A regional management information center may not purchase or enter into a lease-purchase agreement for computer hardware in excess of \$100,000 without unanimous consent of the center board.

Sec. 27. Minnesota Statutes 1990, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide financial management accounting reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 28. Minnesota Statutes 1990, section 121.936, subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.] A district may be exempted from the requirement in subdivision 1, clause (b)(2), if it ~~receives the approval of the state board to use~~ uses another financial management information system approved by the state board. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district ~~may be exempted from the requirement in subdivision 1a, clause (b), if it receives the approval of the state board to use~~ an alternative fixed assets property management information system. Any district desiring to use another management information system not previously approved by the state board shall submit a detailed proposal to the state board and the ESV computer council. The detailed proposal shall include a statement of all costs to the

district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 29. Minnesota Statutes 1990, section 121.936, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE SYSTEMS; STATE BOARD.] Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. Notwithstanding any law to the contrary, when an alternative system has been approved by the state board, another district may use the system without state board approval. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Sec. 30. Minnesota Statutes 1990, section 121.937, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL CRITERIA.] The criteria adopted by the state board for approval of the creation of a regional management information center, ~~the transfer of a school district's affiliation from one regional management information center to another,~~ and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center; ~~transfer~~ or alternative;

(c) The effect of the proposed center; ~~transfer~~ or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, ~~or the effect of a transfer on a center's ability to comply with section 121.935,~~ or

(ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) The ability of a proposed alternative fixed assets property management information system to comply with sections section 121.936, subdivision 1, clause (b)(1); and 121.936, subdivision 1a, clause (a).

Sec. 31. Minnesota Statutes 1990, section 122.41, is amended to read:

122.41 [POLICY DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.]

The policy of the state is to encourage organization of school districts into units of administration to afford better educational opportunities for all pupils, make possible more economical and efficient operation of the schools, and insure more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining
Each school district shall maintain classified elementary and secondary schools, grades 1 through 12, unless a the district is exempt according to section 122.34 or 122.355, has made an agreement with another district or districts as provided in sections 122.535, 122.541, or sections 122.241 to 122.248, or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495. A district that has an agreement according to sections 122.241 to 122.248 or 122.541 shall operate a school with the number of grades required by those sections. A district that has an agreement according to section 122.535 or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495 shall operate a school for the grades not included in the agreement, but not fewer than three grades.

Sec. 32. Minnesota Statutes 1990, section 122.541, subdivision 7, is amended to read:

Subd. 7. [MEETING LOCATION.] Notwithstanding any law to the contrary, school boards that have an agreement may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting. A school board that has an agreement may hold a meeting in any district that is a party to the agreement. The school board shall comply with section 471.705 and any other law applicable to a meeting of a school board.

Sec. 33. [122.895] [EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, "teacher" means a teacher as defined in section 125.12, subdivision 1, who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent. "Cooperative" means any district or center to which this section applies.

Subd. 2. [APPLICABILITY.] This section applies to:

(1) an education district organized according to sections 122.91 to 122.95;

(2) a cooperative vocational center organized according to section 123.351;

(3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;

(4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;

(5) an intermediate district organized according to chapter 136D; and

(6) an educational cooperative service unit which employs teachers to provide instruction.

Subd. 3. [NOTIFICATION OF TEACHERS.] In any year in which a cooperative dissolves or a member withdraws from a cooperative, the governing board of a cooperative shall provide all teachers employed by the cooperative written notification by March 10 of:

(1) the dissolution of the cooperative and the effective date of dissolution; or

(2) the withdrawal of a member of the cooperative and the effective date of withdrawal.

Subd. 4. [RIGHTS OF A TEACHER WITH A CONTINUING CONTRACT IN A MEMBER DISTRICT UPON DISSOLUTION.] (a) This subdivision applies to a teacher previously employed in a member district who:

(1) had a continuing contract with that member district;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative that is dissolving.

(b) A teacher may elect to resume the teacher's continuing contract with the member district by which the teacher was previously employed by filing a written notice of the election with the member school board on or before March 20. Failure by a teacher to file a written notice by March 20 of the year the teacher receives a

notice according to subdivision 3 constitutes a waiver of the teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

(c) A teacher who does not elect to return to the member district according to this subdivision may exercise rights under subdivision 5.

Subd. 5. [RIGHTS OF OTHER TEACHERS UPON DISSOLUTION.] (a) This subdivision applies to a teacher who:

(1) has a continuing contract with the cooperative; and

(2) either did not have a continuing contract with any member district or does not return to a member district according to the procedures set forth in subdivision 4, paragraph (b).

(b) By May 10 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), the cooperative shall provide to each teacher described in subdivision 4 and this subdivision a written notice of available teaching positions in any member district to which the cooperative was providing services at the time of dissolution. Available teaching positions are all teaching positions that, during the school year following dissolution:

(1) are positions for which the teacher is licensed; and

(2) are not assigned to a continuing contract teacher employed by a member school district after any reasonable realignments which may be necessary under the applicable provisions of section 125.12, subdivision 6a or 6b, to accommodate the seniority rights of teachers employed by the member district.

(c) On or before June 1 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), any teacher wishing to do so must file with the school board a written notice of the teacher's intention to exercise the teacher's rights to an avail-

able teaching position. Available teaching positions shall be offered to teachers in order of their seniority within the dissolved cooperative.

(d) Paragraph (e) applies to:

(1) a district that was a member of a dissolved cooperative; or

(2) any other district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the dissolved cooperative to pupils enrolled in a former member district.

(e) For five years following dissolution of a cooperative, a district to which this subdivision applies may not appoint a new teacher or assign a probationary or provisionally licensed teacher to any position requiring licensure in a field in which the dissolved cooperative provided instruction until the following conditions are met:

(1) a district to which this subdivision applies has provided each teacher formerly employed by the dissolved cooperative, who holds the requisite license, written notice of the position; and

(2) no teacher holding the requisite license has filed a written request to be appointed to the position with the school board within 30 days of receiving the notice.

If no teacher files a request according to clause (2), the district may fill the position as it sees fit. During any part of the school year in which dissolution occurs and the first school year following dissolution, a teacher may file a request for an appointment according to this paragraph regardless of prior contractual commitments with other member districts. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the appointing district.

(f) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 6. [RIGHTS OF A TEACHER WITH A CONTINUING

CONTRACT IN A MEMBER DISTRICT UPON WITHDRAWAL OF THE DISTRICT.] (a) This subdivision applies to a teacher previously employed by a member district who:

(1) had a continuing contract with the member district which withdraws from a cooperative;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative from which the member district is withdrawing.

(b) A teacher may elect to resume the teacher's continuing contract with the withdrawing district by which the teacher was previously employed by filing a written notice of the election with the withdrawing school board on or before March 20. Failure by a teacher to file written notice by March 20 of the year the teacher receives a notice according to subdivision 3 constitutes a waiver of a teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning, the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

Subd. 7. [RIGHTS OF A TEACHER PLACED ON UNREQUESTED LEAVE UPON WITHDRAWAL.] (a) This subdivision applies to a teacher who is placed on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, in the year in which the cooperative provides the notice required by subdivision 3, clause (2), by a cooperative from which a member district is withdrawing.

This subdivision applies to a district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the cooperative to pupils enrolled in the withdrawing district.

(b) A teacher shall be appointed by a district to which this subdivision applies to an available teaching position which:

(1) is in a field of licensure in which pupils enrolled in the withdrawing district received instruction from the cooperative; and

(2) is within the teacher's field of licensure.

For the purpose of this paragraph, an available teaching position means any position that is vacant or would otherwise be occupied by a probationary or provisionally licensed teacher.

(c) A board may not appoint a new teacher to an available teaching position unless no teacher holding the requisite license on unrequested leave from the cooperative has filed a written request for appointment. The request shall be filed with the board of the appointing district within 30 days of receiving written notice from the appointing board that it has an available teaching position. If no teacher holding the requisite license files a request according to this paragraph, the district may fill the position as it sees fit. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the withdrawing member district.

(d) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 8. [NONLICENSED EMPLOYEES UPON DISSOLUTION.] A nonlicensed employee who is terminated by a cooperative that dissolves shall be appointed by a district that is a member of the dissolved cooperative to a position that is created within 12 months of the dissolution of the cooperative and is created as a result of the dissolution of the cooperative. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

Subd. 9. [NONLICENSED EMPLOYEES UPON WITHDRAWAL.] A nonlicensed employee of a cooperative whose position is discontinued as a result of the withdrawal of a member district from the cooperative shall be appointed by the withdrawing member district to a position that is created within 12 months of the withdrawal and is created as a result of the withdrawal of the

member district. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

Sec. 34. Minnesota Statutes 1990, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than ~~four~~ three years from the date of employment. ~~The initial employment contract must terminate on June 30 of an odd-numbered year. Any subsequent employment contract between a school board and the same individual to serve as a superintendent may not extend beyond June 30 of the next odd-numbered year. Any subsequent employment contract must not exceed a period of three years. A school board, at its discretion, may or may not renew, at its discretion, an initial employment contract or a subsequent employment contract. A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on seniority or order of employment in a contracting district. An individual who holds a position as superintendent in one of the contracting districts, but is not selected to perform the services, may be placed on unrequested leave of absence or may be reassigned to another available position in the district for which the individual is licensed.~~ The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner of education; and

(5) perform other duties prescribed by the board.

Sec. 35. Minnesota Statutes 1990, section 123.34, subdivision 10, is amended to read:

Subd. 10. [PRINCIPALS.] Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Each principal assigned the responsibility for the supervision of a school building shall hold a valid certification license in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 36. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 20. [LEGAL COUNSEL; REIMBURSEMENT.] If reimbursement is requested by a school district employee, the board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the person to defend criminal charges brought against the person arising out of the performance of duties for the school district. A board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the board is disqualified from voting on the reimbursement, the reimbursement shall be approved by a judge of the district court.

Sec. 37. Minnesota Statutes 1990, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding

any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 38. Minnesota Statutes 1990, 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 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. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

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.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, 88 percent of the product of the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 39. Minnesota Statutes 1990, 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 district of attendance. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the adult high school graduation aid times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

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.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the adult high school graduation aid, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, 88 percent of the product of the adult high school graduation

aid, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 40. Minnesota Statutes 1990, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular 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.

(b) Extracurricular activities have all of the following characteristics:

~~(a)~~ (1) they are not offered for school credit nor required for graduation;

~~(b)~~ (2) 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)~~ (3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular 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. The general fund or the technical colleges fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular 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.

(e) If the board takes charge of and controls extracurricular 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.

Sec. 41. Minnesota Statutes 1990, section 123.744, is amended to read:

123.744 [SCHOOL BOARDS; STUDENT MEMBERS.]

The board of directors of any school district ~~may~~ shall appoint a student to serve as an advisory member to the school board or shall establish a youth advisory council to make formal and informal recommendations to the school board. If a student advisory member is appointed to the board, the student shall serve as an advisory member to the board only while attending school in the district, and shall not receive any compensation or be reimbursed for any expenses incurred while serving in this capacity.

A student advisory member ~~may~~ shall be permitted to attend school board meetings, to be furnished with agenda materials, to introduce items for inclusion in the agenda, and to participate in discussion but shall not be entitled to vote.

If a youth advisory council is established, the board shall meet with council members at least three times per year to discuss education matters and board actions affecting the district student population.

Neither the student member nor youth advisory council members may participate in any closed discussion concerning the negotiation or implementation of a collective bargaining agreement and must not be present at a closed meeting permitted under section 471.705, subdivision 1a or 1d.

Sec. 42. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1c. [FOREIGN EXCHANGE PUPILS.] Notwithstanding section 123.35, subdivision 8c, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a cultural exchange program may be counted as a resident pupil for the purposes of chapters 124 and 124A and section 275.125 even if the pupil has graduated from high school or the equivalent.

Sec. 43. [124.248] [REVENUE FOR AN OUTCOME-BASED SCHOOL.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] General education revenue shall be paid to an outcome-based school as though it were a school district. The general education revenue for

each pupil unit is the state average general education revenue per pupil unit, calculated without compensatory revenue, plus compensatory revenue as though the school were a school district.

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT REVENUE.] Capital expenditure equipment aid shall be paid to an outcome-based school according to section 124.245, subdivision 6, as though it were a school district. Capital expenditure equipment aid shall equal capital expenditure equipment revenue. Notwithstanding section 124.244, subdivision 4, an outcome-based school may use the revenue for any purpose related to the school.

Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.

Subd. 4. [OTHER AID, GRANTS, REVENUE.] An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

Subd. 5. [USE OF STATE MONEY.] Money received from the state may not be used to purchase land or buildings. The school may own land and buildings if obtained through nonstate sources.

Sec. 44. Minnesota Statutes 1990, section 125.09, subdivision 4, is amended to read:

Subd. 4. [MANDATORY REPORTING.] A school board shall report to the board of teaching, the state board of education, or the state board of technical colleges, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school board under section 125.17, subdivisions 4, clauses (1), (2), and (3), and 5, or after charges are filed that are ground for discharge under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an investigation is pending under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e); 125.17, subdivisions 4, clauses (1), (2), and (3), and 5; or 626.556. The report must be made to the board within ten days after the discharge, suspension, or resignation has occurred. The board to which the report is made shall investigate the report for violation of subdivision 1 and the reporting school board shall cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having

jurisdiction over the teacher's license, a school board or school superintendent shall provide the licensing board with information about the teacher from the school district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a school board or school superintendent may, at the discretion of the school board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the school district. Any data transmitted to any board under this section shall be private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The board to which a report is made shall transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Sec. 45. Minnesota Statutes 1990, section 125.12, subdivision 3, is amended to read:

Subd. 3. [PROBATIONARY PERIOD.] The first three consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which the teacher is thereafter employed shall be one year. The school site management team, or the school board if there is no school site management team, shall adopt a plan for written evaluation of teachers during the probationary period according to subdivision 3a or 3b. Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3a shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent

from school shall not be included in determining the number of school days on which a teacher performs services. During the probationary period any annual contract with any teacher may or may not be renewed as the school board, after consulting with the peer review committee charged with evaluating probationary teachers under subdivision 3a, shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.35, subdivision 5.

Sec. 46. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 3a. [PEER REVIEW FOR PROBATIONARY TEACHERS.] A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 47. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 3b. [APPLICABILITY.] Subdivision 3a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 48. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4a. [PEER REVIEW FOR CONTINUING CONTRACT TEACHERS.] A school must have a peer review committee for continuing contract teachers to provide the teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to suspend or terminate a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only teachers with continuing contracts shall serve as members of the peer review committee. The peer review committee shall review once each school year each teacher with a continuing contract performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training sessions and give the members of the peer review committee the necessary time off from their classroom responsibilities to perform the duties listed in this subdivision.

Sec. 49. [125.135] |STAFF EXCHANGE PROGRAM. |

Subdivision 1. [ESTABLISHMENT.] A staff exchange program is established to allow local school districts to arrange temporary and voluntary exchanges among members of their kindergarten through grade 12 instructional and administrative staffs. The purpose of the program is to provide participants with an understanding of the educational concerns of other local school districts, including concerns of class organization, curriculum development, instructional practices, and characteristics of the student population.

The educational needs and interests of the host school district and the training, experience, and interests of the participants must determine the assignments of the participants in the host district. Participants may teach courses, provide counseling and tutorial services, work with teachers to better prepare students for future

educational experiences, serve an underserved population in the district, or assist with administrative functions. The assignments participants perform for the host district must be comparable to the assignments the participants perform for the district employing the participants. Participation in the exchange program need not be limited to one school or one school district and may involve other education organizations including education districts and ECSUs.

Subd. 2. [PROGRAM REQUIREMENTS.] All staff exchanges made under this section are subject to the requirements in this subdivision.

(a) A school district employing a participating staff member must not adversely affect the staff member's salary, seniority, or other employment benefits, or otherwise penalize the staff member for participating in the program.

(b) Upon completion or termination of an exchange, a school district employing a participating staff member must permit the staff member to return to the same assignment the staff member performed in the district before the exchange, if available, or, if not, a similar assignment.

(c) A school district employing a participating staff member must continue to provide the staff member's salary and other employment benefits during the period of the exchange.

(d) A participant must be licensed and tenured.

(e) Participation in the program must be voluntary.

(f) The length of participation in the program must be no less than one-half of a school year and no more than one school year, and any premature termination of participation must be upon the mutual agreement of the participant and the participating school district.

(g) A participant is responsible for transportation to and from the host school district.

(h) This subdivision does not abrogate or change rights of staff members participating in the staff exchange program or the terms of an agreement between the exclusive representative of the school district employees and the school district.

(i) Participating school districts may enter into supplementary agreements with the exclusive representative of the school district employees to accomplish the purpose of this section.

Subd. 3. [APPLICATION PROCEDURES.] The school board of a school district must decide by resolution to participate in the staff

exchange program. A staff member wishing to participate in the exchange program must submit an application to the school district employing the staff member. The district must, in a timely and appropriate manner, provide to the exclusive bargaining representatives of teachers in the state the number and names of prospective participants within the district, the assignments available within the district, and the length of time for each exchange. The exclusive bargaining representatives are requested to cooperatively participate in the coordination of exchanges to facilitate exchanges across all geographical regions of the state. Prospective participants must contact teachers and districts with whom they are interested in making an exchange. The prospective participants must make all arrangements to accomplish their exchange and the superintendents of the participating districts must approve the arrangements for the exchange in writing.

Sec. 50. [125.138] [FACULTY EXCHANGE PROGRAM.]

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

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

Subd. 3. [SALARIES; BENEFITS; CERTIFICATION.] Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed teacher employed by a school district may teach or perform a

service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and post-secondary institution before implementation.

Sec. 51. [125.1385] [EXCHANGES BETWEEN EDUCATION FACULTY.]

Subdivision 1. [AUTHORITY; LIMITS.] The state university board and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 125.138.

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

Subd. 2. [COMPENSATION.] State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The state university board, the board of regents, or the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

Sec. 52. Minnesota Statutes 1990, section 125.17, subdivision 2, is amended to read:

Subd. 2. [PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 2a or 2b, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the

probationary period according to subdivision 2a. ~~Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 2a shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.~~

Sec. 53. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 2a. [PEER REVIEW FOR PROBATIONARY TEACHERS.] A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 54. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 2b. [APPLICABILITY.] Subdivision 2a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 55. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 3a. [PEER REVIEW FOR NONPROBATIONARY TEACHERS.] A peer review committee for nonprobationary teachers shall exist in each school to provide nonprobationary teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to discharge or demote a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only nonprobationary teachers shall serve as members of the peer review committee. The peer review committee shall review once each school year each nonprobationary teacher performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training session and give the members of the peer review committee the necessary time off from the classroom responsibilities to perform the duties listed in this subdivision.

Sec. 56. [125.191] [LICENSE AND DEGREE EXEMPTION FOR HEAD COACH.]

Notwithstanding section 125.03, subdivision 1, a school district may employ as a head varsity coach of an interscholastic sport at its secondary school a person who does not have a license as head varsity coach of interscholastic sports and who does not have a bachelor's degree if:

(1) in the judgment of the school board, the person has the knowledge and experience necessary to coach the sport;

(2) the position has been posted as a vacancy within the present teaching staff for a period of 30 days and no licensed coaches have applied for the position;

(3) the person can verify completion of six quarter credits, or the equivalent, or 60 clock hours of instruction in first aid and the care and prevention of athletic injuries; and

(4) the person can verify completion of a coaching methods or theory course.

Notwithstanding section 125.121, a person employed as a head varsity coach under this section has an annual contract as a coach that the school board may or may not renew as the board sees fit, after annually posting the position as required in clause (2) and no licensed coach has applied for the position.

Sec. 57. Minnesota Statutes, section 126.12, subdivision 1, is amended to read:

Subdivision 1. Except for learning programs during summer ~~and for~~, flexible school learning year programs authorized pursuant to under sections 120.59 to 120.67, and learning year programs under section 121.585, a school district shall not commence an elementary or secondary school year prior to Labor Day. Days which are devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

Sec. 58. Minnesota Statutes 1990, section 126.266, subdivision 2, is amended to read:

Subd. 2. A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 125.12, ~~and not more than two years shall be credited to the teacher for purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which the teacher becomes licensed.~~ For purposes of section 125.17, a teacher shall receive credit equal to the number of years the teacher served under an exemption.

Sec. 59. Minnesota Statutes 1990, section 128C.01, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN COMMERCIAL RELATIONSHIPS PROHIBITED.] The board may not enter into corporate partnerships or similar agreements with any business or commercial organization that sells products or services used by student or adult participants in league activities while they participate in activities regulated by the league. The board may sell advertising to any such business or organization if the advertising is clearly identified as advertising paid for by the business or commercial organization.

Sec. 60. [171.3215] [CANCELING A SCHOOL BUS DRIVER'S ENDORSEMENT FOR CRIMES AGAINST MINORS.]

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

(1) "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

Subd. 2. [CANCELLATION.] The commissioner within 10 days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has committed a crime against a minor shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Upon canceling the offender's school bus driver's endorsement, the department shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 3. [BACKGROUND CHECK.] Before issuing or renewing a driver's license with a school bus driver's endorsement, the department shall conduct an investigation to determine whether the applicant has been convicted of committing a crime against a minor. The department shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a crime against a minor.

Sec. 61. Minnesota Statutes 1990, section 203B.085, is amended to read:

203B.085 [COUNTY AUDITOR'S OFFICE TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.]

The county auditor's office in each county must be open for acceptance of absentee ballot applications and casting of absentee ballots between the hours of 1:00 to 3:00 p.m. on Saturday and 5:00 to 7:00 p.m. on Monday immediately preceding a primary or general election. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Sec. 62. Minnesota Statutes 1990, section 214.10, is amended by adding a subdivision to read:

Subd. 9. [ACTS AGAINST MINORS.] (a) As used in this subdivision, the following terms have the meanings given them.

(1) "Licensed person" means a person who is licensed under this chapter by the board of nursing, the board of psychology, the social work licensing board, the board of marriage and family therapy, the board of unlicensed mental health service providers, or the board of teaching.

(2) "Crime against a minor" means conduct that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.215, 609.221, 609.222, 609.223, 609.342, 609.343, 609.345, or a felony violation of section 609.377.

(b) In any license revocation proceeding, there is a rebuttable presumption that a licensed person who is convicted in a court of competent jurisdiction of committing a crime against a minor is unfit to practice the profession or occupation for which that person is licensed.

Sec. 63. Minnesota Statutes 1990, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten regular and special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the

child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide social or recreational activities, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs administered by public schools that are similar to Minnesota rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 64. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a

natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 65. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, a property tax levy, to review its current budget and proposed property taxes payable the following year at a public hearing. The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to the current budget hearings or to adoption of a budget: in regard to proposed property taxes.

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199___/ school district services that will be provided in 199___ and 199___).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199__ if the budget now being considered is approved.

199__ Property Taxes	Proposed 199__ Property Taxes	199__ Increase or Decrease
\$.....	\$.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Sec. 66. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with

those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 67. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] (a) Except as provided in paragraph (b), interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.

(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.

Sec. 68. Minnesota Statutes 1990, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 23, paragraph (c), or subdivision 25, paragraph (a)(1) or (c)(4), clause (5), in for which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale.

The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located.

Sec. 69. Minnesota Statutes 1990, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, to eligibility for a license issued or renewed by the board of teaching or state board of education, to eligibility for school bus driver endorsements, or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 70. Minnesota Statutes 1990, section 631.40, is amended to read:

631.40 [JUDGMENT ON CONVICTION; JUDGMENT ROLL DEFINED.]

Subdivision 1. When judgment upon a conviction is rendered, the court administrator shall enter the judgment upon the minutes, stating briefly the offense for which the conviction was had. The court administrator shall then immediately attach together and file

the papers specified in clauses (1) to (5). The judgment roll consists of the papers specified in clauses (1) to (5):

(1) a copy of the minutes of challenge made by the defendant to the panel of the grand jury, or to an individual grand juror, and the proceedings and decisions on the challenges;

(2) the indictment or complaint and a copy of the minutes of the plea or motion to dismiss or to grant appropriate relief;

(3) a copy of the minutes of a challenge made to the panel of the trial jury or to an individual juror, and the proceedings and decision on the challenge;

(4) a copy of the minutes of the trial; and

(5) a copy of the minutes of the judgment.

Subd. 1a. When a person is convicted of committing a crime against a minor as defined in section 171.3215, subdivision 1, the court shall order that the presentence investigation include information about whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus.

Subd. 2. [CRIMES AGAINST MINORS.] When a person is convicted of committing a crime against a minor as defined in section 214.10, subdivision 9, the court shall order that the presentence investigation include information about any professional or occupational license held by the offender. If the offender is a licensed person under section 214.10, subdivision 9, the court administrator shall send a certified copy of the conviction to the board having jurisdiction over the offender's license. Within 30 days of receiving notice of the conviction, the appropriate licensing board must initiate proceedings to consider revoking the offender's license.

Sec. 71. [RULEMAKING; TEACHER PREPARATION TIME.]

By May 1, 1992, 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 the 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. The rule must be effective for the 1992-1993 school year. The state board shall establish a process and criteria for granting one-year variances from the rule for districts that are unable to comply for the 1992-1993 school year.

Sec. 72. [SPECIAL EFFECTIVE DATE AND APPLICABILITY TO MID-RANGE SPECIAL EDUCATION COOPERATIVE NO. 932.]

Section 122.895, subdivisions 4 and 5, are applicable to the dissolution of the Mid-Range special education cooperative No. 932 on the day following final enactment. The member districts, independent school district No. 695, Chisholm, independent school district No. 698, Floodwood, and independent school district No. 701, Hibbing, shall be treated as if they were equal partners in the dissolution. The deadline specified in section 122.895, subdivision 4, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 11 days following the day following final enactment. The deadline specified in section 122.895, subdivision 5, paragraph (b), for notice to teachers of available positions is 21 days following the day following final enactment. Teachers employed by the Mid-Range special education cooperative No. 932 shall be notified under section 122.895, subdivision 5, paragraph (b), of available teaching positions as follows: teachers shall be given written notice of available teaching positions only in the member district or districts to which the teacher was providing services through the cooperative at the time of dissolution. The deadline specified in section 122.895, subdivision 5, paragraph (c), for notice of a teacher's exercise of rights under that subdivision is 37 days following the day following final enactment.

Sec. 73. [REGIONAL CENTER EXPENDITURE LIMIT.]

For fiscal year 1993, a regional management information center may not spend more money than the amount approved by the state board in June 1992.

Sec. 74. [REGIONAL SUBSIDY DISTRIBUTION.]

Notwithstanding any law to the contrary, a regional management information center may distribute regional subsidies to the member districts.

Sec. 75. [REPEALER.]

Minnesota Statutes 1990, sections 120.105; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43, subdivision 1; 123.3514, subdivisions 6 and 6b; and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts

2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.

Minnesota Statutes 1990, section 123.744, is repealed. Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

Sec. 76. [EFFECTIVE DATE.]

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. Sections 123.3514, subdivision 4; and 124.17, subdivision 1c are effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1990, section 134.001, subdivision 2, is amended to read:

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134. Except as provided in

section 3, it does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Sec. 2. Minnesota Statutes 1990, section 134.001, subdivision 3, is amended to read:

Subd. 3. "Public library services" means services provided by or on behalf of a public library ~~and. Except as provided in section 3, it does not include services for elementary schools, secondary schools or post-secondary educational institutions.~~

Sec. 3. [134.195] [LIBRARY OPERATED BY CITY AND SCHOOL DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] A school district and a city that has established a public library under sections 134.07 and 134.08, by ordinance or resolution, may jointly finance and operate a public library for use by school students and the public. If the city is already taxed for public library service by a county, approval of the board of county commissioners is required. If the city is served by a regional public library system, approval of the regional public library system board is required. Public library service established under this section may be discontinued by action of the city council or the school board upon one year's notice to the other party.

Subd. 2. [APPOINTMENT OF JOINT LIBRARY BOARD.] The ordinance or resolution shall establish a library board of five, seven, or nine members and shall state the number of members to be appointed by the mayor, with the approval of the city council, and the number of members to be appointed by the school board. One member of the city council and one member of the school board shall be appointed to the library board. The remaining members of the library board may not be members of either the city council or the school board. Board members shall be residents of the city or the school district.

Subd. 3. [BOARD TERMS OF OFFICE.] The terms of office for board members shall be established according to section 134.09, subdivision 2.

Subd. 4. [REMOVAL OF BOARD MEMBERS.] The mayor, with the approval of the council, or the school board may remove for misconduct or neglect any member it has appointed to the library board.

Subd. 5. [ABOLISHMENT OF BOARD.] Upon recommendation of a majority of the library board established under subdivision 2, the city council and the school board may abolish the library board

provided that the city council and the school district shall immediately establish, by ordinance or resolution, a successor library board of five, seven, or nine members. The appointment of successor board members shall be as provided in subdivision 2 and the terms shall be as provided in subdivision 3.

Subd. 6. [BOARD VACANCIES AND COMPENSATION.] The library board president shall report a vacancy on the board to the appointing authority who shall fill the vacancy by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.

Subd. 7. [POWERS AND DUTIES OF BOARD.] Except as provided in subdivision 9, the library board has the powers and duties set forth in section 134.11, subdivision 2.

Subd. 8. [FUNDING.] The ordinance or resolution establishing the library shall provide for joint financing of the library by the school district and the city. The city shall provide at least the minimum dollar amount established in section 134.34, subdivision 1. The school district shall provide money for staff and materials for the library at least in proportion to the use related to curriculum, as determined by the circulation statistics of the library. Neither the city nor the school district shall reduce the financial support provided for operation of library or media services below the level of support provided in the preceding year.

Subd. 9. [CONTRACTS.] The library board may contract with the school board, the regional library board, or the city in which the library is situated to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.

Subd. 10. [CRITERIA.] Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. The

library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 4. Minnesota Statutes 1990, section 134.35, is amended to read:

134.35 [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.]

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

Subd. 2. ~~Sixty~~ Fifty-seven and one-half percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves.

Subd. 3. ~~Fifteen~~ Twelve and one-half percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves.

Subd. 4. ~~Seven and one-half~~ Five percent of the available grant funds shall be paid to each system as a base grant for basic system services.

Subd. 5. ~~Seventeen and one-half~~ Twenty-five percent of the available grant funds shall be distributed to regional public library systems ~~which contain counties whose based upon the adjusted net tax capacity per capita were below the state average adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the second year preceding the fiscal year for which the grant is made.~~ Each system's entitlement shall be calculated as follows:

(a) ~~subtract the adjusted net tax capacity per capita for each eligible county or participating portion of a county from the state-wide average adjusted net tax capacity per capita;~~

(b) ~~multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;~~

(c) ~~for each regional public library system, determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;~~

(d) determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;

(e) for each system, divide the result of the computation in clause (e) by the result of the computation in clause (d) to obtain the allocation factor for that system;

(f) multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.

(a) Multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082.

(b) Add sufficient grant funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to paragraph (a) to the amount of the county or participating portion of a county with the next highest value calculated according to paragraph (a). Multiply the amount of the additional grant funds by the population of the county or participating portion of a county.

(c) Continue the process described in paragraph (b) by adding sufficient grant funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in paragraph (a) to raise it and the amount of counties and participating portions of counties with lower values calculated in paragraph (a) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county.

(d) If the point is reached using the process in paragraphs (b) and (c) at which the remaining grant funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received grant funds under the calculation in paragraphs (b) and (c).

Subd. 6. [POPULATION DETERMINATION.] Population shall be determined according to section 477A.011, subdivision 3.

Sec. 5. [FISCAL YEAR 1992 BASIC SUPPORT SYSTEM GRANTS POPULATION.]

For fiscal year 1992, the portions of the regional library basic support system grants determined under Minnesota Statutes, section 134.35, subdivisions 2 and 5, shall be based upon the population established by the 1980 federal census.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

\$6,118,000 1992

\$7,563,000 1993

The 1992 appropriation includes \$917,000 for 1991 and \$5,201,000 for 1992.

The 1993 appropriation includes \$917,000 for 1992 and \$6,646,000 for 1993.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$486,000 1992

\$527,000 1993

The 1992 appropriation includes \$38,000 for 1991 and \$448,000 for 1992.

The 1993 appropriation includes \$79,000 for 1992 and \$448,000 for 1993.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective July 1, 1992.

ARTICLE 11
STATE EDUCATION AGENCIES

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of children under age seven with handicaps, three representatives of public or private providers of services for children under age five with handicaps, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for children with handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children under age five with handicaps. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with handicaps and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with handicaps and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early

intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to ~~the education committees of the legislature~~, the governor, and the commissioners of education, health, and human services.

Sec. 2. Minnesota Statutes 1990, section 121.14, is amended to read:

121.14 [RECOMMENDATIONS; BUDGET.]

The state board ~~and the commissioner of education~~ shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The state board ~~and the commissioner of education~~ shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid ~~to public schools~~.

Sec. 3. Minnesota Statutes 1990, section 121.165, is amended to read:

121.165 [REPORTS BY THE COMMISSIONER.]

Prior to January 15 of each year, the commissioner of education shall gather ~~and report to the committees on education of the senate and house of representatives~~ from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

Sec. 4. Minnesota Statutes 1990, section 121.49, subdivision 1, is amended to read:

Subdivision 1. The department of education shall itemize for each school district in the state the total amount of money and the amount of money per pupil unit which accrues to the district for each fiscal year from each type of state and federal aid, refund, payment, credit, disbursement or monetary obligation of any kind, including but not limited to each special state aid, emergency aid, payments in lieu of taxes, and pension and retirement obligations for the benefit of personnel of the district. State agencies ~~which~~ that have informa-

tion necessary for the itemization required by this section shall provide the information to the department of education. ~~The completed itemizations shall be reported to the appropriate standing committees of the legislature in convenient reference form not later than December 1 following the year for which they are made.~~

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 3, is amended to read:

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall provide for independent evaluation of the effectiveness of this section. ~~The evaluation results shall be reported to the education committees of the legislature by January 15 of each year.~~

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the research and development sites and other districts utilizing the educational effectiveness program. The long-term evaluation instrument shall include a method for measuring student achievement.

Sec. 6. Minnesota Statutes 1990, section 121.612, subdivision 9, is amended to read:

Subd. 9. [REPORT.] The board of directors of the foundation shall submit an annual report to the ~~education committees of the legislature~~ state board of education on the progress of its activities. ~~The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.~~

Sec. 7. Minnesota Statutes 1990, section 121.917, subdivision 3, is amended to read:

Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner ~~shall~~ may so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Sec. 8. Minnesota Statutes 1990, 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, 124C, 125, 126, 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. 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. 9. Minnesota Statutes 1990, section 124C.03, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of the state planning agency shall evaluate the performance of the grantees ~~and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.~~

Sec. 10. Minnesota Statutes 1990, section 126.665, is amended to read:

126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

~~By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee. The committee expires as provided in section 15.059, subdivision 5.~~

Sec. 11. Minnesota Statutes 1990, section 128A.02, subdivision 4, is amended to read:

Subd. 4. [PLAN.] (a) The state board must have a two-year plan for the academies and must update it annually.

(b) The plan must deal with:

(1) interagency cooperation;

(2) financial accounting;

(3) cost efficiencies;

(4) staff development;

(5) program and curriculum development;

(6) use of technical assistance from the department;

(7) criteria for program and staff evaluation;

(8) pupil performance evaluation;

(9) follow-up study of graduates;

(10) implementing this chapter;

(11) how to communicate with pupils' districts of residence; and

(12) coordinating instructional and residential programs.

(c) The plan may deal with other matters.

~~(d) The state board must submit the plan and recommendations for improvement of the academies to the education committees of the legislature by January 15 of each odd-numbered year.~~

Sec. 12. Minnesota Statutes 1990, section 128A.05, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE ADMISSIONS.] An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The commissioner state board of education must get reimbursed obtain reimbursement from the other state for the costs of the out-of-state admission. The commissioner state board may make enter into an agreement with the appropriate authority in the other state to get reimbursed for

the reimbursement. Money received from another state must be paid to the state treasurer and deposited by the treasurer in the general fund and credited to the general operating account of the academies. The money is appropriated to the academies.

Sec. 13. Minnesota Statutes 1990, section 128C.12, subdivision 3, is amended to read:

Subd. 3. [COPIES.] The state auditor must file copies of the financial and compliance audit report with the commissioner of education, the chairs of the house and senate education committees and the director of the legislative reference library.

Sec. 14. Minnesota Statutes 1990, section 128C.20, is amended to read:

128C.20 [COMMISSIONER TO REPORT ON REVIEW OF LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY.] Each year 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 shall obtain and review the following information about the league:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information 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 harassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. [RECOMMEND LAWS.] The commissioner ~~must~~ may recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 15. Minnesota Statutes 1990, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the

Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board shall adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils ~~in grades 9 to 12~~ who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) ~~a pilot~~ an interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;

(2) additional instruction to pupils for a thirteenth grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. Criteria for admission into the thirteenth grade shall not be subject to chapter 14;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

~~(3)~~ (4) summer arts institutes for pupils in grades 9 to 12;

~~(4)~~ (5) artist mentor and extension programs in regional sites; and

~~(5)~~ (6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 16. Minnesota Statutes 1990, section 129C.10, subdivision 3a, is amended to read:

Subd. 3a. [~~CENTER FUND APPROPRIATION ACCOUNT.~~] There is established in the state treasury a center for arts education ~~fund~~ account in the special revenue fund. All money collected by the board, including rental income, shall be deposited in the ~~fund~~ account. Money in the ~~fund~~ account, including interest earned, is ~~annually~~ appropriated to the board for the operation of its services and programs.

Sec. 17. Minnesota Statutes 1990, section 129C.10, subdivision 4a, is amended to read:

Subd. 4a. [~~ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.~~] (a) The board may adopt rules for admission to and discharge from the full-time programs for talented pupils, rules regarding discharge from the dormitory, and rules regarding the operation of the center, including transportation of its pupils. Rules covering admission are governed by chapter 14. Rules covering discharge from the full-time program for talented pupils must be consistent with sections 127.26 to 127.39, the pupil fair dismissal act. Rules covering discharge from the dormitory are not governed by the pupil fair dismissal act as set forth in sections 127.26 to 127.39. Rules regarding discharge and the operation of the center are not governed by chapter 14.

(b) Proceedings concerning the full-time program for talented pupils, including admission, discharge, a pupil's program, and a pupil's progress, are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Sec. 18. Minnesota Statutes 1990, section 129C.10, subdivision 6, is amended to read:

Subd. 6. [~~PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.~~] Public post-secondary institutions shall provide space for programs offered by the Minnesota center for arts education at no cost or reasonable cost to the center to the extent that space is available at the public post-secondary institutions.

Sec. 19. [129C.15] [~~RESOURCE, MAGNET, AND OUTREACH PROGRAMS.~~]

Subdivision 1. [RESOURCE AND OUTREACH.] The center shall offer resource and outreach programs and services statewide aimed at the enhancement of arts education opportunities for pupils in elementary and secondary school. The programs and services shall include:

(1) developing and demonstrating exemplary curriculum, instructional practices, and assessment;

(2) disseminating information; and

(3) providing programs for pupils and teachers that develop technical and creative skills in art forms that are underrepresented and in geographic regions that are underserved.

Subd. 2. [MAGNET PROGRAMS.] The center shall identify at least one school district in each congressional district with interest and the potential to offer magnet arts programs using the curriculum developed by the Minnesota center for arts education.

Sec. 20. Minnesota Statutes 1990, section 134.31, subdivision 4, is amended to read:

Subd. 4. The department shall collect statistics on the receipts, expenditures, services, and use of the regional public library systems and the public libraries of the state. It shall also collect statistics on all activities undertaken pursuant to sections 134.31 to 134.35. ~~The department shall report its findings to the legislature prior to November 15 of each even-numbered year, together with a statement of its expenditures relating to these activities and any other matters as it deems appropriate.~~

Sec. 21. Minnesota Statutes 1990, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multicounty, multitype system receiving a grant pursuant to section 134.353 or 134.354 shall provide an annual progress report to the department of education. ~~The department shall report before November 15 of each even-numbered year to the legislature on all projects funded under sections 134.353 and 134.354.~~

Sec. 22. Minnesota Statutes 1990, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), are payable in the same amount, on the same

terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, Minnesota state academies for the deaf and blind, the Minnesota center for arts education, an educational cooperative service unit, or other educational service agency, in the second of the academic years or terms, and

(b) With respect to service performed in any capacity other than those capacities described in clause (a) of this subdivision, for an institution of higher education, or a public school or nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms. If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and

(c) With respect to services described in clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual

performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 23. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] (a) The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>258.5</u>	<u>258.5</u>
<u>Federal</u>	<u>135.6</u>	<u>135.6</u>
<u>Other</u>	<u>28.9</u>	<u>28.9</u>
<u>Total</u>	<u>423.0</u>	<u>423.0</u>

(d) The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the education finance division of the education committee of the house of representatives and the education funding division of the education committee of the senate. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal

grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

Subd. 2. [EDUCATIONAL SERVICES.]

\$7,701,000 1992

\$7,698,000 1993

\$21,000 each year is from the trunk highway fund.

\$75,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

\$104,000 each year is for the academic excellence foundation.

Subd. 3. [ADMINISTRATION AND FINANCIAL SERVICES.]

\$7,023,000 1992

\$7,033,000 1993

\$1,308,000 in 1992 and \$1,304,000 in 1993 are for the education data systems section, of which \$12,000 each year is for the expenses of the ESV computer council. Any balance in the first year does not cancel and is available for the second year.

\$1,298,000 in 1992 and \$1,294,000 in 1993 are for the education finance and analysis section.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

The board of teaching budget is not exempt from internal reallocations and reductions required to balance the budget of the combined agencies.

The commissioner shall maintain no more than five total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, and executive assistant.

Subd. 4. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$900,000 1992

\$900,000 1993

Subd. 5. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$260,000 1992

\$260,000 1993

Up to \$50,000 each year is contingent upon the 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 money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1992 does not cancel but is available in 1993. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Subd. 6. [STATE PER ASSISTANCE.] For state assistance for planning, evaluating, and reporting:

\$601,000 1992

\$601,000 1993

At least \$45,000 each year must be used to assist districts with the assurance of mastery program.

Sec. 24. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

\$7,801,000 1992

\$7,773,000 1993

Any balance in the first year does not cancel and is available for the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General fund</u>	<u>185.6</u>	<u>185.6</u>
<u>Federal</u>	<u>8.0</u>	<u>8.0</u>
<u>Total</u>	<u>193.6</u>	<u>193.6</u>

The state board of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

The state board of education, with the approval of the commissioner of finance, may increase the complement above the approved levels if funds are available for the academies in addition to the amounts appropriated in this section.

Sec. 25. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

\$5,064,000 1992

\$5,057,000 1993

Any balance in the first year does not cancel but is available in the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>53</u>	<u>53</u>
<u>Total</u>	<u>53</u>	<u>53</u>

The complement may be increased by the number of staff currently on interchange agreements or contracts if adding these staff to the center complement will result in cost savings. The complement may also be increased if the board determines that additional complement is necessary to protect the health and safety of students.

Sec. 26. [REPEALER.]

Minnesota Statutes 1990, sections 120.104; 121.15, subdivision 10; 121.936, subdivision 5; 124.48, subdivision 2; 125.231, subdivision 6; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; and 136A.044, are repealed.

Laws 1989, chapter 329, article 12, section 8, is repealed.

ARTICLE 12

MAXIMUM EFFORT SCHOOL LOAN BONDS

Section 1. [124.479] [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

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 \$45,065,000, 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.

No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.

Sec. 2. [1991 MAXIMUM EFFORT LOANS.]

The commissioner of education shall make capital loans to independent school district No. 115, Cass Lake; independent school district No. 192, Farmington; independent school district No. 682, Roseau; independent school district No. 748, Sartell; independent school district No. 345, New London-Spicer; independent school district No. 533, Dover-Eyota; independent school district No. 95, Cromwell; and independent school district No. 255, Pine Island. Capital loans to these districts are approved.

Districts approved in a law for a maximum effort loan shall have their project plans and budgets reviewed by the commissioner to determine optimum cost efficiency. The commissioner may reduce the amount of the loans in accord with this review. Costs incurred by the commissioner for professional services associated with the review may be recovered from the districts.

Notwithstanding any law to the contrary, if the available funding is inadequate to meet the loan requests of all the approved districts, the commissioner may reduce the amount of the loan. The reduction to each district's loan must be proportionate to the approved loan amount. Capital loans must be made to all approved districts.

Except for reductions in the loans made according to this section, the amount, terms, and forgiveness of the loans are governed by Minnesota Statutes 1990, section 124.431.

Sec. 3. [BONDING AUTHORITY.]

Notwithstanding the election requirements of Minnesota Statutes, chapter 475, or any other law to the contrary, any school district with a capital loan approved in section 2 may issue general obligation bonds without an election in an amount not to exceed the difference between the state board approved capital loan project cost and the sum of the amount of the capital loan actually granted and the voter approved local bonding authority. If a project has been previously approved by the voters, changes in that project that do not change the total project cost do not require further voter approval. To pay the principal of and interest on bonds issued under this section, the school district shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1

and 3. The tax authorized under this section is in addition to any other taxes levied under Minnesota Statutes, chapter 124, 124A, or 275, or any other law.

Sec. 4. [APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.]

\$3,795,000 is appropriated from the general fund to the department of education for fiscal year 1993 for the maximum effort school loan fund. This appropriation is added to the appropriation in article 5 for this purpose. All the conditions that apply to the maximum effort school loan fund appropriation in article 5 apply to this appropriation.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.101, by adding a subdivision; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.11, subdivision 12; 121.14; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.165; 121.49, subdivision 1; 121.585, subdivision 3; 121.608; 121.609, subdivisions 2 and 3; 121.612, subdivision 9; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding subdivisions; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, subdivision 3, and by adding a subdivision; 122.41; 122.531, by adding subdivisions; 122.535, subdivision 6; 122.541, subdivision 7; 122.91, subdivision 5; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 3, 4, 6, 6b, 8, and by adding a subdivision; 123.38, subdivision 2b; 123.58, by adding subdivisions; 123.702; 123.744; 123.951; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.19, subdivisions 1, 7, and by adding

a subdivision; 124.195, subdivisions 9 and 11; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 2, 3, and by adding subdivisions; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, by adding subdivisions; 124.646; 124.6472, subdivision 1; 124.83, subdivision 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124B.03, subdivision 2; 124C.03, subdivisions 2 and 16; 125.09, subdivision 4; 125.12, subdivision 3, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.113, subdivisions 1 and 2; 126.12, subdivision 1; 126.22, subdivisions 2, 3, 4, 8, and by adding subdivisions; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 128A.02, subdivision 4; 128A.05, subdivision 3; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, 4a, and 6; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 171.29, subdivision 2; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 272.02, subdivision 8; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 4, 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 298.28, subdivision 4; 364.09; 475.61, subdivision 3; and 631.40; Laws 1989, chapter 329, article 4, section 20; and article 6, section 53, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 122; 123; 124; 124C; 125; 127; 128B; 129C; 134; 136D; 171; 373; and 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 120.104; 120.105; 121.111; 121.15, subdivision 10; 121.91, subdivision 7; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.706; 123.707; 123.73; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.26, subdivisions 7 and 8; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.48, subdivision 2; 124.493, subdivision 2; 124.535, subdivision 3a; 124A.02, subdivision 19; 124C.01, subdivision 2; 124C.02; 124C.41, subdivisions 6 and 7; 125.231, subdivision 6; 128B.01; 128B.03, subdivisions 3 and

8; 128B.07; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivision 2; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, and 8d; Laws 1989, chapter 329, article 12, section 8."

We request adoption of this report and repassage of the bill.

House Conferees: KEN NELSON, JERRY J. BAUERLY, BECKY KELSO AND GARY SCHAFER

Senate Conferees: RONALD R. DICKLICH, GREGORY L. DAHL, GARY M. DECramer AND SANDRA L. PAPPAS.

Olsen, S.; Knickerbocker and Abrams moved that the House refuse to adopt the Conference Committee report on H. F. No. 700, that the current House Conference Committee be discharged, that the Speaker appoint a new Conference Committee, and that the bill be returned to Conference Committee.

A roll call was requested and properly seconded.

Long requested a division of the Olsen, S., et al motion relating to the Conference Committee Report on H. F. No. 700.

The first portion of the Olsen, S., et al motion reads as follows:

Olsen, S.; Knickerbocker and Abrams moved that the House refuse to adopt the Conference Committee report on H. F. No. 700.

A roll call was requested and properly seconded.

The question was taken on the first portion of the Olsen, S., et al motion and the roll was called. There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Jaros	Lieder	Orenstein
Anderson, I.	Davids	Jefferson	Lourey	Orfield
Anderson, R.	Dorn	Johnson, A.	Macklin	Ozment
Anderson, R. H.	Erhardt	Johnson, R.	McEachern	Pellow
Battaglia	Farrell	Kalis	McGuire	Pelowski
Beard	Garcia	Kinkel	Milbert	Peterson
Begich	Goodno	Knickerbocker	Murphy	Pugh
Bodahl	Hanson	Krinkie	Nelson, S.	Rest
Carlson	Hartle	Krueger	O'Connor	Rice
Clark	Henry	Leppik	Olsen, S.	Rukavina

Sarna
SeabergSegal
SmithSolberg
SparbyStanius
TrimbleWenzel
Winter

Those who voted in the negative were:

Bauerly	Greenfield	Koppendraye	Osthoff	Thompson
Bertram	Gruenes	Lasley	Ostrom	Tompkins
Bettermann	Gutknecht	Long	Pauly	Tunheim
Blatz	Haukoos	Lynch	Reding	Uphus
Boo	Hausman	Mariani	Rodosovich	Vellenga
Carruthers	Heir	Marsh	Runbeck	Wagenius
Dauner	Hufnagle	McPherson	Schafer	Waltman
Dawkins	Hugoson	Munger	Scheid	Weaver
Dempsey	Janezich	Nelson, K.	Simoneau	Wejcmán
Dille	Jennings	Ogren	Skoglund	Welker
Frederick	Johnson, V.	Olson, K.	Steensma	Welle
Frerichs	Kahn	Omann	Swiggum	Spk. Vanasek
Girard	Kelso	Onnen	Swenson	

The motion did not prevail and the first portion of the Olsen, S., et al motion was not adopted.

Olsen, S., withdrew the second portion of the Olsen, S., et al motion relating to the Conference Committee Report on H. F. No. 700.

Anderson, R., and Bishop were excused while in conference.

Nelson, K., moved that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee.

POINT OF ORDER

Stanius raised a point of order pursuant to rule 6.11 relating to Conference Committees that the report of the Conference Committee on H. F. No. 700 was not in order. The Speaker ruled the point of order not well taken.

The question recurred on the Nelson, K., motion that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 700, A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3;

120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

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

The question was taken on the repassage of the bill and the roll was called. There were 85 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Bauerly	Goodno	Koppendrayner	Onnen	Sparby
Begich	Greenfield	Krueger	Osthoff	Steensma
Bertram	Gruenes	Lasley	Ostrom	Sviggum
Bettermann	Gutknecht	Lieder	Ozment	Swenson
Bodahl	Hartle	Limmer	Pellow	Thompson
Brown	Hasskamp	Long	Peterson	Tompkins
Carruthers	Haukoos	Lourey	Reding	Trimble
Clark	Hausman	Lynch	Rest	Tunheim
Cooper	Heir	Macklin	Rice	Uphus
Dauner	Jacobs	Mariani	Rodosovich	Veilenga
Dawkins	Janezich	Marsh	Rukavina	Wagenius
Dempsey	Johnson, A.	Munger	Runbeck	Waltman
Dille	Johnson, V.	Nelson, K.	Schafer	Weaver
Dorn	Kahn	Ogren	Scheid	Welker
Frederick	Kalis	Olson, E.	Schreiber	Welle
Frerichs	Kelso	Olson, K.	Seaberg	Winter
Girard	Kinkel	Omann	Simoneau	Spk. Vanasek

Those who voted in the negative were:

Abrams	Erhardt	Johnson, R.	Murphy	Pugh
Anderson, I.	Farrell	Knickerbocker	Nelson, S.	Sarna
Anderson, R. H.	Garcia	Krinkie	Newinski	Segal
Battaglia	Hanson	Leppik	O'Connor	Smith
Beard	Henry	McEachern	Olsen, S.	Solberg
Blatz	Hufnagle	McGuire	Orenstein	Stanisus
Boo	Hugoson	McPherson	Orfield	Valento
Carlson	Jaros	Milbert	Pauly	Wejcmán
Davids	Jefferson	Morrison	Pelowski	Wenzel

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

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

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. 354, A bill for an act relating to natural resources;

providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

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. 540, A bill for an act relating to crimes; regulating the display of handgun ammunition; proposing coding for new law in Minnesota Statutes, chapter 609.

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. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 116J.

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. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; 116C.91, by adding a subdivision; and 116C.94; proposing coding for new law in Minnesota Statutes, chapters 18B; 18C; and 116C; proposing coding for new law as Minnesota Statutes, chapter 18F.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International

Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

The Senate has appointed as such committee:

Mses. Berglin and Piper; Messrs. Luther, Merriam and Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 143, A bill for an act relating to appropriations; removing certain directions, limits, and provisos on the use of money for certain projects; amending Laws 1990, chapter 610, article 1, section 9, subdivision 1.

The Senate has appointed as such committee:

Messrs. Samuelson, Vickerman and Renneke.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

The Senate has appointed as such committee:

Messrs. Dahl, Waldorf and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and

authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

The Senate has appointed as such committee:

Messrs. Merriam and Marty; Ms. Olson; Messrs. Dahl and Mondale.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, *Secretary of the Senate*

Mr. Speaker:

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

H. F. No. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of

a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

The Senate has appointed as such committee:

Messrs. Riveness, Cohen and Mondale.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a;

473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 21.

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

Messrs. Langseth, DeCramer and Mehrkens; Ms. Flynn and Pappas.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 598. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1533.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1533

A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

May 18, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1533, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1533 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. [ENVIRONMENT AND NATURAL RESOURCES;
APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1991," "1992," and "1993," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1991, June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$143,129,500	\$139,929,500	\$283,059,000
Environmental	17,740,000	19,687,000	37,427,000
Metro Landfill			
Contingency Trust	1,663,000	797,000	2,460,000
Special Revenue	1,040,000	1,040,000	2,080,000
Natural Resources	18,612,000	17,334,000	35,946,000
Game and Fish	49,609,000	50,733,000	100,342,000
Permanent School			
Trust	565,000	635,000	1,200,000

Minnesota Resources	16,534,000	-0-	16,534,000
Environmental Trust	14,960,000	-0-	14,960,000
Oil Overcharge	3,500,000	-0-	3,500,000
TOTAL	267,352,500	230,155,500	497,508,000

APPROPRIATIONS
Available for the Year
Ending June 30
1992 1993

Sec. 2. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation	30,884,000	30,013,000
	1992	1993
Approved Complement –	700	685
General –	185	160
Environmental –	205	215
Federal –	235	235
Metro Landfill Contingency –	2	2
Special Revenue –	73	73

Summary by Fund

General	11,603,000	9,651,000
Environmental	16,763,000	18,710,000
Metro Landfill Contingency	1,663,000	797,000
Special Revenue	855,000	855,000

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

Subd. 2. Water Pollution Control

7,162,000 5,588,000

		1992	1993
		\$	\$
Summary by Fund			
General	5,275,000	3,633,000	
Environmental	1,887,000	1,955,000	

\$1,280,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the bien-nium.

\$100,000 the first year is for grants to municipalities who have experienced catastrophic failure of wastewater treatment facilities resulting from unstable geological formations and which required immediate action to avoid impacts to drinking water supplies.

\$250,000 the first year is for a grant to the Western Lake Superior Sanitary Sewer District for the payment of debt service.

Subd. 3. Air Pollution Control

4,626,000	5,866,000
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Summary by Fund

General	454,000	-0-
Environmental	3,317,000	5,011,000
Special Revenue	855,000	855,000

Subd. 4. Groundwater and Solid Waste Pollution Control

10,038,000	9,366,000
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Summary by Fund

General	2,124,000	2,313,000
Environmental	6,259,000	6,264,000

Metro Landfill

Contingency	1,655,000	789,000
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All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated

1992

1993

\$

\$

to the commissioner of finance for transfer to the pollution control agency and the commissioner of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). This appropriation is available until June 30, 1993.

\$1,000,000 the first year and \$1,000,000 the second year are appropriated from the motor vehicle transfer account for transfer to the environmental response, compensation, and compliance account in the environmental fund.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council shall report to the legislative commission on waste management its budget and work program for spending this appropriation.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

\$92,000 the first year and \$127,000 the second year is for a grant to the department of administration for assistance in funding a central materials recovery facility. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Subd. 5. Hazardous Waste Pollution Control

4,993,000 5,095,000

		1992	1993
	\$	\$	
Summary by Fund			
General	1,786,000	1,782,000	
Environmental	3,207,000	3,313,000	

Subd. 6. Regional Support Environmental

52,000	52,000
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The commissioner shall prepare a study on regionalization for presentation to the chairs of the house and senate committees on governmental operations, the house appropriations committee and the senate finance committee by January 15, 1992. The study shall identify options and costs associated with relocating specific agency functions to locations other than the agency's central office. The report shall identify the specific functions that would be relocated, the rationale used for selecting these specific functions for relocation, the geographic areas of the state that would receive these functions, the numbers of personnel involved in the relocation, the impact on service to the public of the proposed relocations, an implementation strategy for the proposed plan and the costs associated with the regionalization of these functions in comparison to the savings, if any, accrued from the relocation.

Subd. 7. General Support

5,250,000	5,343,000
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Summary by Fund

General	2,104,000	2,123,000
Environmental	2,041,000	2,115,000
Metro Landfill		
Contingency	8,000	8,000

Subd. 8. General Reduction

(140,000)	(200,000)
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	1992	1993
	\$	\$
Sec. 3. OFFICE OF WASTE MANAGEMENT	20,783,000	20,525,000

	1992	1993
Approved Complement –	53	53
General –	49	49
Environmental --	3	3
Federal –	1	1

Summary by Fund

General	19,936,000	19,678,000
Environmental	847,000	847,000

\$14,008,000 the first year and \$14,008,000 the second year are for SCORE block grants to counties.

\$250,000 the first year is to develop markets for mixed municipal solid waste compost and to improve model operations at existing mixed municipal solid waste composting facilities that will improve the marketability of the compost product. This appropriation is available only as matched by an equal amount of private money. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

The director, in cooperation with the pollution control agency and the legislative commission on waste management shall study mechanisms for assessing the costs of waste disposal to the source of particular types of waste based on the impact that the particular waste has on the waste stream and the environment. The study should develop recommendations for a fee structure and identify the costs associated with implementing a fee structure for disposal based on the type of waste being disposed. A report shall be submitted to the legislative commission on waste

	1992	1993
	\$	\$
management for consideration by January 1992.		

Sec. 4. ZOOLOGICAL BOARD	8,971,000	8,826,000
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	1992	1993
Approved Complement -	159	159
General -	141	141
Special Revenue -	15	15
Gift -	3	3

\$125,000 in the first year is for major maintenance. In addition, any revenue received from the proposed bird amphitheater admissions sales during fiscal year 1993, beyond the first \$400,000 in revenue from this particular revenue source is available for use by the board for major maintenance until expended.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	147,088,000	146,384,000
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	1992	1993
Agency Approved -		
Full-Time Equivalency	2,721	2,721

Summary by Fund

General	78,302,000	77,682,000
Game and Fish	49,609,000	50,733,000
Natural Resources	18,612,000	17,334,000
Permanent School	565,000	635,000

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

Of the total amount appropriated to the commissioner by this act, no more than \$99,500,000 the first year and \$99,000,000 the second year may be used for salary related expenses unless adjusted in accordance with the provisions of Minnesota Statutes, section 16A.123, subdivision 5.

1992

1993

\$

\$

Subd. 2. Mineral Resources Management

5,295,000	5,272,000
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\$325,000 the first year and \$325,000 the second year are for iron ore cooperative research, of which \$200,000 the first year and \$200,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$844,000 the first year and \$826,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one position in the unclassified service for minerals diversification.

Subd. 3. Water Resources Management

8,641,000	7,965,000
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Summary by Fund

General	8,544,000	7,866,000
Natural Resources	97,000	99,000

\$1,107,000 the first year and \$1,106,000 the second year are available for shoreland management grants to include \$85,000 each year of the biennium for a grant to the North Shore Management Board. Pursuant to existing law and department rules, the metropolitan area shall be considered in distribution of these funds. The unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$75,000 the first year and \$75,000 the second year is to conduct the stream maintenance program under Minne-

	1992	1993
	\$	\$
sota Statutes, section 103G.701. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.		

\$10,000 the first year is available for stream stabilization on the Snake River.

\$135,000 of this appropriation in the first year is from the general fund for a loan to the city of Fridley for the purpose of reconstructing the Locke Lake dam pursuant to Minnesota Statutes, section 103G.511, subdivision 10. Notwithstanding Minnesota Statutes, section 103G.511, subdivision 10, clause (e), principal and interest payments received by the commissioner of finance in repayment of the loan shall be deposited in the general fund.

\$150,000 of this appropriation is for a grant to the city of Fridley for the purpose of reconstructing the Locke Lake dam.

Subd. 4. Forest Management

23,155,000	23,311,000
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\$750,000 the first year and \$750,000 the second year are for emergency fire fighting. Of this amount, \$500,000 the first year and \$550,000 the second year are for presuppression costs of emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

\$343,000 the first year and \$343,000 the second year are for grants to the

	1992	1993
	\$	\$
<p>University of Minnesota College of Natural Resources. \$147,000 of this amount each year is for hybrid aspen and hybrid larch research and development at the North Central Experiment Station at Grand Rapids. \$196,000 of this amount each year is for the paper science and recycling program.</p>		

\$120,000 the first year and \$120,000 the second year from the general fund under Minnesota Statutes, section 89.04, are for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program. This appropriation is not subject to any budget reductions made in the agency.

\$385,000 from the forest nursery account in the special revenue fund may be spent for necessary construction at Badoura nursery.

\$25,000 the first year and \$25,000 the second year are for county forest management grants.

Subd. 5. Parks and Recreation Management

19,840,000	19,802,000
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Summary by Fund

General	19,256,000	19,213,000
Natural Resources	584,000	589,000

\$584,000 the first year and \$589,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

As cash flow permits, \$800,000 the first year and \$350,000 the second year are

	1992	1993
	\$	\$

transferred from the state parks working capital account in the special revenue fund to the general fund and are appropriated for state park resource management and interpretive programs. No money shall be spent on the resource management or interpretive programs until all expenses attributable to the revenue producing program have been covered.

The commissioner shall operate pumping facilities at Hill Annex Mine state park sufficient to maintain a water level not to exceed the height of the area known as "pocket A" for the duration of the biennium to assess the pumping and operational costs associated with maintaining this water level. The commissioner shall report the projected pumping and operational costs of maintaining this level to the legislature no later than January 1, 1993.

\$60,000 and three full-time equivalent positions the first year and \$60,000 and three full-time equivalent positions the second year are for an increase in the state park planning effort.

Subd. 6. Trails and Waterways

10,993,000	11,095,000
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Summary by Fund

General	1,229,000	1,227,000
Game and Fish	750,000	770,000
Natural Resources	9,014,000	9,098,000

\$2,248,000 the first year and \$2,248,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program

	1992	1993
	\$	\$

on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

The commissioner shall submit recommendations to the legislature before January 1, 1992, concerning the snowmobile account, its continuing viability, and the grants made to local governments from the snowmobile account for grants-in-aid trail operations and maintenance equipment. The recommendations should address, at a minimum, ways to ensure funding for trail-grooming equipment and the appropriateness of the present formula dedicating a share of the unrefunded gas tax to the snowmobile account.

Subd. 7. Fish and Wildlife Management

35,653,000	36,323,000
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Summary by Fund

General	2,770,000	2,763,000
Game and Fish	31,078,000	31,707,000
Natural Resources	1,805,000	1,853,000

\$874,000 in the first year and \$874,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$1,367,000 the first year and \$1,404,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year. The commissioner of natural resources shall submit to the legislature by January 15, 1992, a budget request to

	1992	1993
	\$	\$

spend any excess receipts from the non-game checkoff.

\$130,000 the first year and \$130,000 the second year are for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$175,000 and three full-time equivalent positions each year is from the game and fish fund for an additional deer habitat improvement program and shall not be considered as part of the budget base for the 1994-1995 biennium.

\$100,000 the first year and \$100,000 the second year are from the game and fish fund for special hunt opportunities.

\$50,000 the first year and \$50,000 the second year are from the game and fish fund to coordinate the North American waterfowl management plan.

\$100,000 the first year and \$100,000 the second year are from the game and fish fund for accelerated wild turkey management.

\$200,000 the first year and \$200,000 the second year are from the game and fish fund for lake and stream management.

\$50,000 the first year and \$50,000 the second year are from the game and fish fund for an accelerated wildlife lakes survey.

\$120,000 the first year is from the game and fish fund for the Heron Lake and Swan Lake projects. Any unencumbered balance remaining in the first

	1992	1993
	\$	\$
year does not cancel and is available for the second year of the biennium.		

\$140,000 each year is appropriated from the game and fish fund for the aquatic education program. One-half of the funds expended must be in the seven-county metropolitan area.

\$1,651,000 the first year and \$1,644,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands, established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

The commissioner, in cooperation with the commissioner of agriculture shall study and make recommendations to the legislature by January 1, 1993, for a program for providing assistance to farmers for crop damage caused by wild animals.

The commissioner may not allow a shooting range to be constructed at the Carlos Avery Wildlife Management area unless a proposal is submitted to the legislature for approval.

Subd. 8. *Enforcement*

14,349,000	14,616,000
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Summary by Fund

General	2,226,000	2,220,000
Game and Fish	9,556,000	9,800,000
Natural Resources	2,567,000	2,596,000

\$1,125,000 the first year and \$1,125,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

	1992	1993
\$	\$	

The commissioner shall evaluate the number of metropolitan conservation officer stations in relation to the population and need in the metropolitan area and make recommendations to the legislature for appropriate readjustment of assignments by January 1, 1992.

Subd. 9. Field Operations Support

12,136,000	10,863,000
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Summary by Fund

General	5,145,000	5,168,000
Game and Fish	4,511,000	4,636,000
Natural Resources	1,915,000	424,000
Permanent School	565,000	635,000

\$565,000 the first year and \$667,000 the second year are for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Any unencumbered balance remaining in the appropriation under Minnesota Statutes, section 92.46, subdivision 1, paragraph (d), in the first year does not cancel and is available for the second year.

\$1,500,000 for the biennium is from the land acquisition account in the natural resources fund and is for acquisition costs associated with Tettegouche state park, Glendalough state park, and other state park in-holdings. This appropriation is available in either year of the biennium.

Subd. 10. Regional Operations Support

5,121,000	5,136,000
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		\$	1992	\$	1993
Summary by Fund					
General	3,984,000		3,969,000		
Game and Fish	888,000		913,000		
Natural Resources	249,000		254,000		

Subd. 11. Special Services and Programs

5,853,000	5,881,000
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Summary by Fund					
General	4,558,000		4,559,000		
Game and Fish	482,000		494,000		
Natural Resources	813,000		828,000		

\$103,000 the first year and \$103,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement their portion of the comprehensive plan for the upper Mississippi.

Notwithstanding any other law to the contrary, any reductions in the department of natural resources' agency operating budget or reductions in agency program efforts prompted by specific legislative action or economic conditions during the biennium shall not be applied against the budget for the Minnesota Conservation Corps. Should the need arise, the commissioner shall reallocate resources within the department to ensure that the corps is maintained at no less than the same level of effort as accomplished during the 1990-1991 biennium.

The commissioner of the department of natural resources shall have the au-

	1992	1993
	\$	\$

thority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

Subd. 12. Administrative Management Services

6,552,000	6,640,000
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Summary by Fund

General	2,640,000	2,634,000
Game and Fish	2,344,000	2,413,000
Natural Resources	1,568,000	1,593,000

The commissioners of natural resources, public safety, and employee relations shall assess the effectiveness of the critical stress debriefing unit and the appropriateness of its current organizational placement. They shall report their findings and recommendations to the legislature by February 15, 1992.

Subd. 13. General Reduction

(\$500,000)	(\$520,000)
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Sec. 6. BOARD OF WATER AND SOIL RESOURCES

8,076,000	8,020,000
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	1992	1993
Approved Complement --	36	36
General --	34	34
Federal --	2	2

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$849,000 the first year and \$849,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, expenditures may be made from these

	1992	1993
	\$	\$
appropriations for supplies and services benefiting soil and water conservation districts.		

\$1,461,000 the first year and \$1,461,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$900,000 the first year and \$900,000 the second year are for technical services and implementation of the conservation reserve program. Of this appropriation, \$750,000 the first year and \$750,000 the second year must be distributed to soil and water conservation districts.

\$2,435,000 the first year and \$2,535,000 the second year are for comprehensive local water planning.

\$200,000 the first year is for a pilot project for a statewide abandoned well

	1992	1993
	\$	\$

inventory. The board shall select counties for inclusion in this pilot that are representative of geographic, hydrological, geologic, and demographic areas of the state. The pilot will include an effort to identify the locations of abandoned wells in the selected counties and an analysis of the costs and an evaluation of the need for a statewide inventory of abandoned wells. The board shall submit a report to the legislature with its findings and recommendations by December 1, 1992. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Any unencumbered balance in the board's program of grants to soil and water conservation districts and counties does not cancel at the end of the first year and is available for the second year for the same grant program.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	\$13,023,000	\$12,855,000
	1992	1993
Approved Complement –	537	537
General –	218	218
Environmental –	2	2
Special/Revolving –	293	293
Federal –	24	24

Summary by Fund

General	12,708,000	12,540,000
Environmental	130,000	130,000
Special Revenue	185,000	185,000

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

Subd. 2. Protection Service

5,264,000	5,254,000
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		1992	1993
		\$	\$
Summary by Fund			
General	5,134,000	5,124,000	
Environmental	130,000	130,000	

\$130,000 the first year and \$130,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

Subd. 3. Promotion and Marketing

753,000	750,000
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\$75,000 the first year and \$75,000 the second year are for transfer to the Minnesota grown matching account which may be used as grants for Minnesota grown promotion.

Subd. 4. Family Farm Services

1,318,000	1,318,000
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\$629,000 the first year and \$629,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. During the biennium, such sums that are not needed for interest payment adjustments are available for farm crisis assistance. No new loans may be approved in fiscal year 1992 or 1993.

\$200,000 the first year and \$200,000 the second year are appropriated to the commissioner to manage the existing family farm advocacy program. The commissioner shall target these funds to areas of the state with the greatest amount of farm stress.

\$150,000 the first year and \$150,000 the second year are for agriculture information centers and is only available on a dollar for dollar nonstate match.

	1992	1993
	\$	\$

The funds may be released at the rate of one dollar for each dollar of matching nonstate money that is raised. The commissioner may credit in-kind contributions from nonstate sources for up to one-half of the required nonstate match. This appropriation shall be used to target the areas of the state with the greatest amount of farm stress and shall not be a part of the 1994-1995 biennial budget base.

\$100,000 the first year and \$100,000 the second year are for supplemental grant funding to the commissioner for farm and small business management programs through the technical college system. The commissioner is authorized to make a supplemental grant or grants to the board of technical colleges for the instructional materials, instructional staff, support staff, and tuition assistance costs associated with this program not to exceed the amount of supplemental funding made available. Any supplemental grants that may be made to this program shall not be considered as part of the 1994-1995 budget base for the technical college system or the department of agriculture.

Subd. 5. Administrative Support and Grants

5,688,000	5,533,000
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Summary by Fund

General	5,503,000	5,348,000
Special Revenue	185,000	185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project

	1992	1993
	\$	\$
<p>cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.</p>		

The unexpended balance appropriated for grants to farmers for demonstration projects involving sustainable agriculture in Laws 1989, chapter 269, section 7, subdivision 5, does not cancel and is reappropriated to the commissioner and added to other appropriations for the biennium ending June 30, 1993, to carry out such demonstrations to be used in either year of the biennium.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$40,000 the first year and \$40,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$80,000 the first year and \$80,000 the second year are for the seaway port authority of Duluth.

\$10,000 the first year is for payment of claims relating to agricultural crops damaged by elk and is available until June 30, 1993.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

	1992	1993
	\$	\$
<p>\$100,000 the first year and \$100,000 the second year are for a base adjustment to grants to the state agricultural society to be spent as grants to county agricultural societies for premiums for county fair competitions in arts and crafts. This appropriation must be included in the 1994-1995 biennial budget base.</p>		

\$160,000 the first year is for farm safety programs. \$120,000 is for payment to instructors in a youth farm safety program and \$40,000 is for a farm safety audit pilot project. This appropriation is available for either year of the biennium. If any amount of the appropriation for either program remains unencumbered on September 1, 1992, it becomes available for the other program.

Sec. 8. BOARD OF ANIMAL HEALTH

	2,085,000	2,080,000
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Approved Complement –	37	35
General –	36	34
Federal –	1	1

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$150,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

	1992	1993
\$		\$
Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	127,000	127,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

Sec. 10. CITIZENS COUNCIL ON VOYAGEUR'S NATIONAL PARK	80,000	80,000
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Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,138,000	1,138,000
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Upon completion of its national tour, the Science Museum of Minnesota shall donate free of charge the "Wolves and Humans" exhibit to the International Wolf Center for permanent housing. In the event that the construction necessary to display the exhibit at the International Wolf Center is not completed at the time that the tour concludes, the Science Museum of Minnesota shall provide space until the International Wolf Center is prepared to display the exhibit.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	32,000	36,000
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Sec. 13. MINNESOTA HORTICUL- TURAL SOCIETY	71,500	71,500
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\$3,500 the first year and \$3,500 the second year are to increase the amount of color used in printing the Minnesota Horticulturist.

Sec. 14. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation	34,994,000
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Summary by Fund

Minnesota Future Resources Fund

16,534,000

Minnesota Environment and Natural Resources Trust Fund

14,960,000

	1992	1993
	\$	\$
Oil Overcharge Money in the Special Revenue Fund		
3,500,000		

The appropriations in this section are from the Minnesota future resources fund, unless another fund is named.

The appropriations in this section are available until June 30, 1993.

Subd. 2. Legislative Commission on Minnesota Resources	850,000
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For the biennium ending June 30, 1993, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1993-1995 biennium from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money, and for support of the Citizen Advisory Committee activities.

Subd. 3. Recreation

(a) Off-highway Vehicle Recreation Area	75,000
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This appropriation is to the commissioner of natural resources to conduct a study in cooperation with the Minnesota 4-WD Association on the feasibility of an off-highway vehicle recreation area.

(b) Superior Hiking Trail	400,000
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This appropriation is to the commissioner of natural resources for planning and administrative assistance and a grant to the Superior Hiking Trail Association for planning, development, and limited use of easement acquisi-

	1992	1993
\$		\$

tion. The use of conservation corps resources is strongly encouraged. Up to \$80,000 is available to the commissioner for planning and administrative assistance. Available federal and private money is appropriated.

(c) Local Rivers Planning	400,000
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This appropriation is to the commissioner of natural resources for grants of up to two-thirds of the cost to counties, or groups of counties acting pursuant to joint powers agreement, to develop comprehensive plans for the management and protection of up to eight rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws.

(d) Access to Lakes and Rivers	1,000,000
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This appropriation is to the commissioner of natural resources to provide boat access to major recreation lakes and rivers and to construct fishing piers in accordance with established priorities, inventory, map, and construct shore access sites in the metropolitan area.

(e) Land and Water Resource Management, Lower St. Croix Riverway	360,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the Minnesota-Wisconsin Boundary Area Commission to develop a management strategy, improved technical capability, and sustained local government and

	1992	1993
	\$	\$
landowner stewardship on the jointly managed lower St. Croix.		

(f) Mississippi River Valley Blufflands Initiative	150,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to assist local units of government to develop the tools necessary to protect the outstanding scenic and biological resources of the blufflands of the Mississippi Valley in Goodhue, Wabasha, Winona, and Houston counties.

(g) Reclamation of Recreation Systems and Environmental Resources	200,000
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to investigate urban design strategies for enhancing recreational amenities in suburban areas. The investigation shall be done in cooperation with the metropolitan council. The legislative commission on Minnesota resources may convene a steering committee to ensure coordination and practical results.

(h) Preservation of Historic Shipwrecks, Lake Superior	100,000
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\$80,000 is to the Minnesota historical society to investigate the historic significance of shipwrecks on the North Shore of Lake Superior in accordance with priorities for placement on the National Register of Historic Places; to develop preservation plans to implement the federal Abandoned Shipwrecks Act; and to conduct a survey of the underwater resources in the vicinity of Split Rock Lighthouse.

\$20,000 is to the commissioner of natural resources to develop facilities at Split Rock Lighthouse State Park for diver access.

	1992	1993
	\$	\$
(i) Land and Water Conservation Fund Administration	84,000	

This appropriation is to the commissioner of natural resources for administration of the federal land and water conservation program and other grant administration activities assigned to the commissioner in this section.

(j) Historic Records Database – Final Phase	180,000
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This appropriation is to the Minnesota historical society to automate and make widely accessible the society's collections.

(k) Fur Trade Research and Planning	250,000
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This appropriation is to the Minnesota historical society to plan and design the visitor center at the Northwest Company Fur Post Historic Site, and for site improvements at that site. No more than \$100,000 may be spent for site improvements.

(l) Mystery Cave Resource Evaluation	150,000
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This appropriation is to the commissioner of natural resources to perform a resource inventory and study of Mystery Cave to include groundwater, cave meteorology, geology, and biology as part of the park plan.

(c) Rails-to-Trails Acquisition and Development	1,000,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for acquisition and development of trails in accordance with established priorities.

	1992	1993
	\$	\$
Subd. 4. Water		
(a) Stream and Watershed Information System	200,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop an integrated system of information relating to streams, watersheds, and retrieval and analysis tools.		
(b) South Central Minnesota Surface Water Resource Atlases and Data Base	300,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to Mankato State University for development of surface hydrology atlases and data base in both hard and electronic format for the 13 counties of south central Minnesota.		
(c) Minnesota River Basin Water Quality Monitoring	700,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency. This is the final two years of a multiagency four-year effort to identify the sources of nonpoint pollution threatening the water quality and uses of the Minnesota River. The results will be used to direct state and local implementation programs. Federal matching money is appropriated.		
(d) Waterwatch – Citizen Monitoring and Protection Program	272,000	

This appropriation is to the commissioner of the pollution control agency to encourage and coordinate citizen and student volunteer monitoring of water

	1992	1993
	\$	\$
quality and biological indicators for Minnesota's lakes and streams.		

(e) Bioremedial Technology for Groundwater	96,000
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This appropriation is to the University of Minnesota, Department of Civil and Mineral Engineering, for a pilot demonstration of technology for in situ biodegradation of organic pollutants in groundwater.

(f) County Geologic Atlas and Groundwater Sensitivity Mapping	1,400,000
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\$800,000 is from the Minnesota environment and natural resources trust fund to the University of Minnesota, Minnesota Geologic Survey, to expand production of county geologic atlases and create a new atlas services office.

\$600,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for groundwater sensitivity mapping.

(g) Aquifer Analyses in southeast Minnesota	73,000
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This appropriation is to the commissioner of natural resources for a grant to Winona State University to perform aquifer tests in southeast Minnesota in order to determine aquifer characteristics, surface-subsurface groundwater interaction, and aquifer interaction.

(h) Clean Water Partnership Grants to Local Units of Government	700,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency for Clean Water Partnership grants under Minnesota Statutes, section 115.096.

	1992	1993
	\$	\$
<p>In addition to the required work program, grants may not be approved until grant proposals have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 30 days to pass without making a recommendation.</p>		

(i) Cannon River Watershed Grants	60,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to provide research and demonstration grants to counties consistent with the comprehensive local water management program under Minnesota Statutes, chapter 110B, as part of the Cannon River watershed protection program.

(j) Mitigating Mercury in Northeast Minnesota Lakes	300,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency to investigate how to mitigate the damage caused by the presence of mercury in northeast Minnesota lakes.

(k) Development and Application of Aeration Technologies	148,000	
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This appropriation is to the University of Minnesota, St. Anthony Falls Hydraulic Laboratory, to study how to optimize membrane aeration and the hydraulic design of bypass type aerator systems.

(l) Lake Superior Initiative – Institute for Research	400,000	
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This appropriation is to the University of Minnesota, Graduate School, to establish an institute for Lake Superior

	1992	1993
	\$	\$
Research that would develop a strong multifaceted research effort.		

(m) Lake Mille Lacs Public Land Use Plan	20,000
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This appropriation is to the commissioner of natural resources to plan for shoreline management of publicly-owned lands around Lake Mille Lacs.

(n) Ecological Evaluation of Year-Round Aeration	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to collect baseline data on aerated and nonaerated lakes and determine ecological impacts of aeration.

(o) Erosion Control Cost-Sharing	250,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to share in the cost of conservation practices to control soil erosion and protect water quality, including water quality practices that divert water from sinkholes, under Minnesota Statutes, section 103C.501.

(p) Well Sealing Cost-Share Grants	750,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to make grants to counties for sharing the cost of sealing wells under Minnesota Statutes, section 103I.331.

Subd. 5. Education

(a) Environmental Education Program	790,000
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	1992	1993
	\$	\$

\$400,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education to develop and implement model K-12 environmental education curriculum integration. This program will incorporate ongoing models of other deliverers of environmental education.

\$30,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to the Minnesota Community Education Association to incorporate environmental education into the community education system.

\$60,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete a long-term plan for the development and coordination of environmental learning centers.

\$85,000 is from the Minnesota environment and natural resources trust fund to the commissioner of state planning for a grant to the Audubon Center of the Northwoods for an assessment of environmental learning center programs and services.

\$215,000 is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop a statewide environmental education plan. The statewide plan will integrate the plans, strategies, and policies of the department of education, post-secondary institutions, the department of natural resources, and other deliverers of environmental education.

(b) Teacher Training for Environmental Education

5,000

This appropriation is to the commissioner of education for a grant to the St.

	1992	1993
	\$	\$

Paul Chapter of the National Audubon Society for scholarships for the training of teachers in environmental education integration.

(c) Video Education Research and Demonstration Project	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to Twin Cities Public Television to develop a video education demonstration project and a model for a statewide video environmental education communication network.

(d) Integrated Resource Management Education and Training Program	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to provide training and internship programs in natural resource management.

(e) Continuing Education in Outdoor Recreation for Natural Resource Managers	125,000
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This appropriation is to the University of Minnesota, Department of Forest Resources, to develop and implement an outdoor recreation short course for natural resource planners and managers with outdoor recreation responsibilities.

(f) Environmental Exhibits Collaborative	400,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the Science Museum of Minnesota to establish a statewide collaborative to share and create traveling water-related exhibits

	1992	1993
	\$	\$
and programs for schools and family groups at different sites.		

(g) Upper Mississippi River Environmental Education Center	600,000
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This appropriation is to the commissioner of natural resources for a grant to the city of Winona to develop detailed architectural designs necessary to obtain federal construction funding for an Upper Mississippi River Environmental Education Center. This appropriation is contingent upon federal commitment of at least \$6,000,000 for construction and for future operation and maintenance.

(h) Urban Rangers Program	100,000
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This appropriation is to the commissioner of education for a grant to the Minneapolis Park and Recreation Board to develop an urban environmental curriculum for elementary students and families conducted at 44 city recreation centers.

(i) Crosby Farm Park Nature Program	85,000
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This appropriation is to the commissioner of education for a grant to the city of St. Paul to institute a nature study program at Crosby Farm Park to introduce inner city residents and minorities to learning opportunities concerning natural resources and how to conserve and protect those resources.

(j) Youth in Natural Resources	250,000
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This appropriation is to the commissioner of natural resources to develop a career exploration program for minority youths and to test their vocational interests, skills, and aptitudes.

	1992	1993
	\$	\$
(k) Environmental Education for Handicapped	130,000	

This appropriation is to the commissioner of education for a grant to Vinland National Center to develop a program model in environmental education, including education of persons with disabilities, and to teach the model to educators, environmentalists, and the disability community.

Subd. 6. Agriculture

(a) Biological Control of Pests	650,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of agriculture to collect and identify potential biological control agents, and to develop and test biological control agents for a variety of pests. A grant request to supplement this appropriation must be submitted to the U.S. Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

(b) Review Levels of Pesticides at Spill Sites	300,000
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This appropriation is to the commissioner of agriculture for a literature search and publication of remediation technologies for pesticide spills, laboratory research on the fate of elevated levels of pesticides in soil, and evaluation of bioremediation techniques.

(c) Effective Nitrogen and Water Management for Sensitive Areas	300,000
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This appropriation is to the commissioner of agriculture to provide an integrated research information base on risks of groundwater pollution involved in nitrogen and water management for crop production.

	1992	1993
	\$	\$
(d) Conservation Reserve Easements	600,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to acquire perpetual easements on wetlands and to acquire perpetual easements under Minnesota Statutes, section 103F.515, subdivision 3, with priority for wetland areas, to enhance wildlife habitat, control erosion, and improve water quality.

(e) Native Grass and Wildflower Seed	130,000
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This appropriation is to the commissioner of agriculture in cooperation with the commissioner of natural resources to develop the varietal, cultural, and market information necessary to encourage expanded commercial production of Minnesota origin native wildflower and grass seed.

(f) Community Gardening Program	110,000
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This appropriation is to the University of Minnesota, Minnesota Extension Service, in cooperation with the Minnesota State Horticultural Society and the Self Reliance Center to provide gardening information and technical assistance in metropolitan and non-metropolitan areas.

Subd. 7. Forestry

(a) Minnesota Old-Growth Forests – Character and Identification	150,000
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This appropriation is to the commissioner of natural resources to develop quantitative, structural definitions of Minnesota old-growth forest types, examine the importance of old growth as sensitive habitat, and evaluate old-growth forest stands that are identified as the department of natural resources

	1992	1993
	\$	\$
old-growth guidelines are implemented.		
(b) Nutrient Cycling and Tree Species Suitability	220,000	
This appropriation is to the University of Minnesota, Department of Forest Resources, to assess the role of nutrient cycling and associated management practices for sustainability of Minnesota's forest resources under scenarios of increased harvesting and atmospheric change.		
(c) State Forest Land Acquisition	500,000	
This appropriation is to the commissioner of natural resources to acquire lands in the highest priority purchase compartments in the R. J. Dorer Memorial Hardwood State Forest.		
(d) Regeneration and Management of Minnesota's Oak Forests	225,000	
This appropriation is to the University of Minnesota, Minnesota Extension Service, for research and education in oak regeneration and management.		
(e) Private Forest Management for Oak Regeneration	200,000	
This appropriation is to the commissioner of natural resources to increase technical assistance to private forest landowners in southern Minnesota for oak regeneration.		
(f) Aspen Hybrids and New Tissue Culture Techniques	70,000	
This appropriation is to the University of Minnesota, Department of Forest Resources, to research tissue cultured aspen and hybrid aspen clones.		
(g) Aspen Decay Models for Mature Aspen Stands	85,000	

	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources to contract with Koochiching county and the University of Minnesota, College of Natural Resources, to develop models for aspen decay in mature aspen stands.</p>		

(h) Generic Environmental Impact Statement	400,000
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This appropriation is from the environment and natural resources trust fund to the Environmental Quality Board for preparation of a generic environmental impact statement.

Subd. 8. Fisheries

(a) Pilot Fish Pond Complex – Fisheries Development and Education	250,000
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This appropriation is to the commissioner of natural resources for a grant to the Leech Lake Band of Chippewa Indians to develop fish ponds for production of sportfish and baitfish.

(b) Aquaculture Facility Purchase and Development and Genetic Gamefish Growth Studies	1,200,000
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This appropriation is to the University of Minnesota, College of Natural Resources, to acquire and develop an aquaculture facility and to continue research on genetically engineered gamefish.

(c) Cooperative Urban Aquatic Education Program	340,000
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This appropriation is to the commissioner of natural resources to expand urban fishing opportunities and awareness.

(d) Catch and Release Program	35,000
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	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources to accelerate the catch and release portion of the CORE program for matching grants to local anglers clubs for promotion of catch and release statewide. The work must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.</p>		

(e) Metropolitan Lakes Fishing Opportunities	75,000
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This appropriation is to the commissioner of natural resources to study metropolitan area lakes to determine if recreational fishing opportunities are being maximized. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(f) Lake Minnetonka Bass Tracking	85,000
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This appropriation is to the commissioner of natural resources to study the impacts of bass fishing contests. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(g) Stocking Survey	35,000
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This appropriation is to the commissioner of natural resources to survey organizations to determine the level of interest in public and private fish stocking activities. The survey must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

Subd. 9. Wildlife

(a) Insecticide Impact on Wetland and Upland Wildlife	650,000
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This appropriation is from the Minnesota environment and natural re-

	1992	1993
	\$	\$
sources trust fund to the commissioner of natural resources to research the effect of insecticides on wetland and upland wildlife and habitats.		

(b) Biological Control of Eurasian Water Milfoil	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue a cooperative research program between the department of natural resources, Freshwater Foundation, and the University of Minnesota leading to biological control of Eurasian water milfoil. This appropriation must be matched by \$200,000 from the Freshwater Foundation.

(c) Microbial and Genetic Strategies for Mosquito Control	150,000
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This appropriation is to the University of Minnesota, Department of Entomology, to enhance mosquito control by development of microbial agents that are environmentally safe and specific for mosquitoes.

(d) Minnesota County Biological Survey	1,000,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue the biological survey in Minnesota counties previously funded by Laws 1989, chapter 335, article 1, section 29, subdivision 3, item (t).

(e) Data Base for Plants of Minnesota	130,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the University of Minnesota to computerize the data

	1992	1993
	\$	\$
base for Minnesota plants, including precise information on the distribution, ecology, history, and management of each species.		

(f) Aquatic Invertebrate Assessment Archive	130,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency, in cooperation with the Science Museum of Minnesota, to continue work on a record system for aquatic invertebrates and assign pollution tolerance values and to develop an information system for the zebra mussel.

(g) Wetlands Forum	40,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to improve communication and information exchange regarding wetlands in the metropolitan area. This appropriation must be matched by \$40,000 from the Freshwater Foundation.

(h) Easement Acquisition on Restored Wetlands	400,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources for a pilot program to acquire permanent conservation easements on federally restored or enhanced wetlands and adjacent lands in cooperation with the United States Fish and Wildlife Service and the Izaak Walton League.

(i) Swan and Heron Lake Area Projects	1,000,000
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	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources. First priority is for acquisition that qualifies for federal match. Second priority is for land management activities. Federal and other matching money is appropriated. Any full-time equivalent positions associated with this appropriation are for land acquisition work.</p>		
(j) Wildlife Oriented Recreation Facilities at Sandstone Unit National Wildlife Refuge	9,000	
<p>This appropriation is to the commissioner of natural resources to contract with Rice Lake National Wildlife Refuge for recreation facility development and access at the Sandstone Unit of Rice Lake National Wildlife Refuge.</p>		
(k) Acquisition and Development of Scientific and Natural Areas	300,000	
<p>This appropriation is to the commissioner of natural resources to acquire and develop scientific and natural area sites consistent with the state scientific and natural areas plan.</p>		
(l) Black Bear Research in East Central Minnesota	100,000	
<p>This appropriation is to the University of Minnesota, Bell Museum of Natural History, to develop landscape ecology concepts and better understand the problem of bear damage to crops.</p>		
(m) Partnership for Accelerated Wild Turkey Management	50,000	
<p>This appropriation is to the commissioner of natural resources to increase wild turkey stocking. This appropriation must be matched by \$50,000 from the National Wild Turkey Federation.</p>		

	1992	1993
	\$	\$
(n) Restore Thomas Sadler Roberts Bird Sanctuary	50,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the Minneapolis Park and Recreation Board to restore and improve public access to the Thomas Sadler Roberts Bird Sanctuary. This appropriation must be matched by \$50,000 of local money.

(o) Changes in Ecosystem on Biodiversity of Forest Birds	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to monitor forest songbird populations and to develop geographic information system tools to correlate forest bird populations with dynamics of the forest landscape. This appropriation must be matched by \$200,000 from a combination of non-state funds and the state nongame wildlife program.

(p) Establish Northern Raptors Rehabilitation and Education Facility	75,000
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This appropriation is to the University of Minnesota, Raptor Center, to establish a raptor rehabilitation and release facility at the Audubon Center of the Northwoods.

(q) Effect of Avian Flu Virus in Mallard Ducks	16,000
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This appropriation is to the University of Minnesota, Department of Veterinary Pathobiology, to research the effects of Avian influenza on Mallard ducks.

	1992	1993
	\$	\$
Subd. 10. Land		
(a) Base Maps for 1990s	1,900,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to provide the state match for a federal program to complete a major portion of the statewide air photo and base map coverage. The federal share is appropriated.

(b) Accelerated Soil Survey	1,270,000
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This appropriation is to the University of Minnesota, Agriculture Experiment Station, to complete the soil survey in counties under contract as of July 1, 1988. Up to \$270,000 is for initiation of a survey in Koochiching county, provided that the county share of the cost of the survey shall be one-third of the cost, reduced by a percentage equal to the percent of land located in the county that is owned by the federal or state government that exceeds five percent, and further adjusted by the ratio of the adjusted net tax capacity per capita of the county to the adjusted net tax capacity per capita of the state.

(c) Statewide National Wetlands Inventory, Protected Waters Inventory, Watershed Map Digitization	750,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete the digitization of the national wetlands inventory, protected water inventory, and watershed boundaries.

(d) Statewide Land Use Update	338,000
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This appropriation is to the commissioner of state planning for a grant to The International Coalition to com-

	1992	1993
	\$	\$
plete a statewide land use update of all land and water resources outside the Twin City metropolitan area.		

(e) Local Geographic Information System Program	143,000
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This appropriation is to the commissioner of state planning for a grant to The International Coalition to expand the applicability and use of geographic information by developing programs and providing training at the local level.

(f) GIS Control Point Inventory	175,000
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This appropriation is to the commissioner of state planning to produce a statewide inventory of known public land survey control points using data from all levels of government.

(g) Land Use and Design Strategies to Enhance Environmental Quality	100,000
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to develop a land use and design concept for typical sites on light rail transit and freeway systems. The work must be done in consultation with the Metropolitan Council and the Regional Transit Board.

(h) Model Residential Land Use Guidelines	150,000
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This appropriation is to the University of Minnesota, Department of Landscape Architecture, to illustrate and disseminate residential land development guidelines that address a broad range of environmental concerns. The work must be done in consultation with the Metropolitan Council. The legislative commission on Minnesota resources may convene a steering

	1992	1993
	\$	\$
committee to ensure coordination and practical results.		

Subd. 11. Minerals

Subsurface Greenstone Belts in Southwestern Minnesota	120,000
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This appropriation is to the University of Minnesota, Minnesota Geologic Survey, to apply aeromagnetic interpretation techniques and test drilling to determine greenstone and associated mineral potential in southwestern Minnesota.

Subd. 12. Waste

(a) Remediation of Soils by Co-Composting with Leaves	135,000
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This appropriation is to the office of waste management for a grant to the Minneapolis Community Development Agency to develop a treatment method for soils contaminated with semi-volatile compounds by co-composting with leaves.

(b) Land Spreading of Yard Wastes	100,000
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This appropriation is to the office of waste management for a grant to the University of Minnesota, Soils Science Department, to determine the maximum and optimum rates that yard wastes can be applied to soils without reducing yields or endangering the environment.

Subd. 13. Oil Overcharge

The appropriations in this subdivision are from oil overcharge money, as defined in Minnesota Statutes, section 4.071, in the special revenue fund.

(a) Traffic Signal Timing and Optimization Program	1,175,000
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	1992	1993
	\$	\$

This appropriation is to the commissioner of administration for transfer to the commissioner of transportation. \$125,000 is for traffic signal retiming and optimization training and \$1,050,000 for a cost share program for signal retiming. \$675,000 of the cost share program is available only as cash flow permits.

(b) Waste Crumb Rubber in Roadways

100,000

This appropriation is to the commissioner of administration for transfer to the commissioner of transportation to improve hot-mix asphalt pavement performance through the use of crumb tire rubber and selected polymer additives. The process will use waste tires generated in Minnesota. This appropriation must be matched by \$100,000 from other sources.

(c) Biodegradable Plastics – Microbial and Crop Plant Systems

150,000

This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Department of Agronomy and Plant Genetics, to genetically engineer yeast and crop plants to produce low-cost polyhydroxybutyric, a biodegradable plastic, to substitute for petroleum-based plastics.

(d) Agricultural Energy Savings Information

150,000

This appropriation is to the commissioner of administration for a grant to the Agricultural Utilization Research Institute to conduct a series of conferences, communication products, and intensive workshops in order to transfer the results of state-funded research to agricultural practitioners.

	1992	1993
	\$	\$
(e) Residential Urban Environmental Resource Audit	150,000	

This appropriation is to the commissioner of administration for a grant to the St. Paul Neighborhood Energy Consortium to develop and implement neighborhood workshops and one-on-one consultations as part of an environmental urban resource audit and a broad educational campaign.

(f) Means for Producing Lignin-Based Plastics	100,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Department of Forest Products, to develop means for fabricating engineering plastics based upon industrial by-product lignins and corresponding raw materials from wheat straw.

(g) Cellulose Rayons for Packaging	150,000
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This appropriation is to the commissioner of administration for a grant to Bemidji State University, Center for Environmental Studies, to research and develop cellulose rayons.

(h) Tree and Shrub Planting for Energy in Minnesota Communities	1,250,000
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This appropriation is to the commissioner of administration for a grant to the commissioner of natural resources to develop research-based guidelines and publications and to provide matching grants for energy conservation tree planting. \$950,000 of this appropriation is available only as cash flow permits.

(i) Oil Overcharge Program Administration	200,000
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This appropriation is to the commissioner of administration for processing

	1992	1993
	\$	\$
and oversight of grants and allocations in the Oil Overcharge program.		

(j) Energy Efficiency Standards for Residential Construction	75,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Cold Climate Housing Center for the development of performance-based standards for energy efficient new home construction and procedures for implementation. This appropriation must be matched by \$75,000 of nonstate funds. This appropriation is available only as cash flow permits.

Subd. 14. MFRF Contingent Account

In addition to the specific amounts appropriated from the Minnesota future resources fund by this section, any increase in the projected revenue up to \$600,000 for the biennium to the fund in excess of the amount indicated in subdivision 1 that would otherwise be available for expenditure during the 1992-1993 biennium is appropriated to the legislative commission on Minnesota resources future resources fund contingent account for disbursement by the commission in accordance with the procedure identified in this subdivision.

This appropriation is for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Min-

	1992	1993
	\$	\$
nesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its recommendation on each item, which may be spent only with the approval of the governor.		

Subd. 15. General Reduction

As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1993, the commissioner of finance in consultation with the legislative commission on Minnesota's resources director shall transfer \$2,000,000 from the unencumbered balance in the fund to the general fund.

Subd. 16. Compatible Data

During the biennium ending June 30, 1993, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section. This requirement applies to all projects funded under this section, including, but not limited to, the following projects:

1992

1993

\$

\$

Recreation: Subdivision 3, paragraphs (d) and (e);

Water: Subdivision 4, paragraphs (a), (b), (c), (f), and (g);

Agriculture: Subdivision 6, paragraph (d);

Wildlife: Subdivision 9, paragraphs (d), (e), (h), (k), and (p);

Land: Subdivision 10, paragraphs (a), (b), (c), (d), (e), and (f);

Minerals: Subdivision 11.

Subd. 17. Work Program

It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money according to Minnesota Statutes, section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

Subd. 18. Temporary Positions

The approved full-time equivalent of the following agencies shall be increased for the biennium as indicated for the appropriations in this section:

Board of Water and Soil Resources –	1
Pollution Control Agency –	6
State Planning Agency –	3
Department of Agriculture –	4

	1992	1993
	\$	\$
Department of Education –	4	
Department of Administration –	1	
Department of Natural Resources –	36	

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. The positions are in addition to any other approved complement for the agency. Part-time employment of persons is authorized.

Subd. 19. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1992, must be canceled. Amounts canceled to the Minnesota future resources fund are appropriated to the contingent account created in subdivision 14.

Subd. 20. Patents and Royalties

If an appropriation in this section from the Minnesota future resources fund results in a patent and subsequent royalties, payment of 50 percent of the royalties received, net of patent servicing costs, must be paid to the Minnesota future resources fund, until the entire appropriation made by this section is repaid.

Subd. 21. Carryforward

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (e), Development of Forest Soil Interpretations, is available until December 31, 1991.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivi-

	1992	1993
	\$	\$

sion 3, paragraph (h), Statewide Public Recreation Map, is available until June 30, 1992.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 11, paragraph (o), High Flotation Tire Research is available until June 30, 1992.

Sec. 15. [ENVIRONMENTAL, RESPONSE, COMPENSATION AND COMPLIANCE ACCOUNT REPORT.]

The commissioner of the pollution control agency, after consultation with representatives of public and private landfill owners and operators, the director of the office of waste management, and the director of the legislative commission on waste management, shall submit to the legislative commission on waste management and to the environment and natural resources committees of the legislature and to the chairs of the environment divisions of the senate finance and house appropriations committees by November 1, 1991, a report proposing procedures and criteria for use of the funds in the environmental response, compensation, and compliance account. A special emphasis shall be placed on an analysis of other fees and funds collected and maintained for addressing landfill related problems. The report shall recommend procedures and criteria for use of the funds to prevent and respond to releases that add to or replace the procedures and criteria of chapter 115B and federal law. The goals to be met by the recommended procedures and criteria are:

- (1) administrative efficiency;
- (2) expeditious and cost effective prevention and response actions;
- (3) diminution of the financial burden on local government units for closed landfill facilities;
- (4) preservation of a system that prioritizes use of the funds at sites that are causing the greatest environmental burden while endeavoring to use the funds equitably among the broad regions of the state;
- (5) preservation of incentives and requirements for operators of open landfill facilities to operate the facilities responsibly and to provide financial assurance for closure, postclosure care, and contingency action, while addressing problems of facilities with short term capacity;

(6) provision of immediate funding for unforeseen problems at open or closed landfill facilities that are otherwise financially unable to address those immediate problems;

(7) preservation of the concept of cost recovery against easily identifiable responsible parties for payment of the costs of addressing problems; and

(8) assessment of the relationship between all fees and funds collected and maintained for addressing superfund related problems.

Sec. 16. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 17. [APPROPRIATION AND BONDS.]

\$16,000,000 is appropriated from the bond proceeds fund to be divided as follows:

(a) To the board of water and soil resources for the reinvest in Minnesota conservation reserve program, under Minnesota Statutes, section 103F.515: \$1,900,000;

(b) To the commissioner of natural resources for transfer to the critical habitat private sector matching account for purposes of Minnesota Statutes, sections 84.943 and 84.944: \$3,000,000;

(c) To the commissioner of natural resources for the following purposes:

(1) state trail acquisition and development, including the Root River trail: \$1,000,000;

(2) state park rehabilitation: \$2,650,000;

(3) state park development: \$750,000;

(4) state forest acquisition within Dorer memorial forest: \$145,000.

The commissioner of natural resources shall submit semiannual work plans to the legislative commission on Minnesota resources and shall submit a semiannual work program to the commission and request its recommendation before spending any money appropriated by this subdivision or by Laws 1989, chapter 300, article 1, section 16, subdivisions 2 and 3, items (a) and (b); or Laws 1990, chapter 610, article 1, section 20, subdivisions 2, 3, 4, 6, and 7, for any purpose. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

(d) To the commissioner of trade and economic development for regional park acquisition and development, including Cedar Lake park acquisition in the cities of Minneapolis and St. Louis Park that is identified in the metropolitan parks and open space commission plan, and \$250,000 for regional park acquisition outside the seven-county metropolitan area: \$6,525,000.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES

Section 1. Minnesota Statutes 1990, section 14.18, is amended to read:

14.18 [PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.]

Subdivision 1. [GENERALLY.] A rule is effective after it has been subjected to all requirements described in sections 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule which differ from the proposed rule shall be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifi-

cations may also be made which comply with the form requirements of section 14.07, subdivision 7.

Subd. 2. [POLLUTION CONTROL AGENCY FEES.] A new fee or fee increase adopted by the pollution control agency is subject to legislative approval during the next biennial budget session following adoption. The commissioner shall submit a report of fee adjustments to the legislature as a supplement to the biennial budget. Any new fee or fee increase remains in effect unless the legislature passes a bill disapproving the new fee or fee increase. A fee or fee increase disapproved by the legislature becomes null and void on July 1 following adjournment.

Sec. 2. Minnesota Statutes 1990, section 16A.123, subdivision 5, is amended to read:

Subd. 5. [DEPARTMENT OF NATURAL RESOURCES COMPLEMENT.] (a) Beginning with the biennium ending June 30, 1991, The legislature shall establish complements for the department of natural resources based on the number of full-time equivalent positions and dollars appropriated for salary-related expenditures.

The commissioner of natural resources shall provide a biennial report indicating the distribution of the full-time equivalents for the previous biennium as a supplement to the agency's biennial budget request for succeeding bienniums. The biennial budget document submitted to the legislature by the governor beginning with the 1992-1993 biennium shall indicate, by program and by activity, the number of full-time equivalent positions included as base level and recommended changes. The governor's salary and full-time equivalents requests for the agency shall include all full-time, part-time, and seasonal dollars and full-time equivalent positions requested. Any change level request submitted by the governor to the legislature for consideration by the governor as part of the governor's biennial budget containing funding for salaries shall indicate the number of additional full-time equivalent positions and salary dollars requested.

Within the full-time equivalent number and amount of salary dollars appropriated for the department, the commissioner shall have the authority to establish as many full-time, part-time, or seasonal positions as required to accomplish the assigned responsibilities for the department. The commissioner shall have the authority to reallocate salary dollars for other operating expenses, but the commissioner shall not have authority to reallocate other operating funds to increase the total amount appropriated for salary-related expenses, including salary supplement, without receiving prior approval according to the process defined in this subdivision.

In the event that the commissioner finds it necessary to exceed the full-time equivalent number or the amount of appropriated dollars

and the legislature is not in session, the commissioner shall seek approval of the legislative advisory commission under subdivision 4. Legislative advisory commission approved full-time equivalent positions and dollars shall ~~not only become a part of the agency budget base unless authorized by the legislature if the increase is the result of appropriations made to the agency by the legislature that are in addition to the appropriations made in the omnibus appropriations acts. All other legislative advisory commission authorized full-time equivalent positions or dollar adjustments shall be temporary for the biennium during which they are authorized unless approved by the legislature.~~

Sec. 3. Minnesota Statutes 1990, section 18.191, is amended to read:

18.191 [DESTRUCTION OF NOXIOUS WEEDS.]

Except as otherwise specifically provided in sections 18.181 to 18.271, 18.281 to 18.311, and 18.321 to 18.322, it shall be the duty of every occupant of land or, if the land is unoccupied, the owner thereof, or an agent, or the public official in charge thereof, to cut down, otherwise destroy, or eradicate all noxious weeds as defined in section 18.171, subdivision 5, standing, being, or growing upon such land, in such manner and at such times as may be directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or by a local weed inspector having jurisdiction.

Except as provided below, an owner of nonfederal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife (*Lythrum salicaria*) below the ordinary high water level of the public water or wetland. To the extent provided in this section, the commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner may enter upon public waters and wetlands designated under section 103G.201 and may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The commissioner, after consultation with the commissioner of agriculture, shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters. The commissioner of agriculture must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated

public waters by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in Minnesota Statutes, chapter 18. The responsibility of the commissioner to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315. State officers, employees, agents, and contractors are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 4. Minnesota Statutes 1990, section 84.0855, is amended to read:

84.0855 [SPECIAL RECEIPTS; APPROPRIATION.]

Money received by the commissioner of natural resources as fees for seminars or workshops, ~~for~~ from the sale of publications, and maps, from the sale of other natural resource related merchandise at the state fair, or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs.

Sec. 5. Minnesota Statutes 1990, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner. A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe. Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public

safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements. A fee of 50 cents in addition to that otherwise prescribed by law shall be charged for each snowmobile registered by the registrar or a deputy registrar. The additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 84.82, subdivision 3, is amended to read:

Subd. 3. [FEES FOR REGISTRATION.] (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: ~~\$18~~ \$30 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all snowmobiles owned by a dealer and operated for demonstration or testing purposes shall be \$50 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable.

Sec. 7. Minnesota Statutes 1990, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired in fee title by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in sections 97A.101, 97A.125, 97C.001, and 97C.011; ~~and 97C.021. The commissioner may so designate any critical natural habitat acquired in less than fee title.~~

Sec. 8. Minnesota Statutes 1990, section 84.96, subdivision 5, is amended to read:

Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue 65 percent of the permanent marginal agricultural land payment rate

as established by the board of water and soil resources for the time period when the application is made.

(c) For an easement of limited duration, the landowner shall receive a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue commissioner must pay 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Sec. 9. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

For the purposes of sections 10 to 12, "ecologically harmful exotic species" means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Sec. 10. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) develop a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

Sec. 11. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]

Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.

Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990. A portion of these funds shall be used to implement the plan under section 10.

Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control.

Sec. 12. [84.9691] [RULEMAKING.]

The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.

Sec. 13. Minnesota Statutes 1990, section 85.015, is amended by adding a subdivision to read:

Subd. 16. [SUPERIOR VISTA TRAIL; ST. LOUIS AND LAKE COUNTIES.] The trail shall originate at the city of Duluth and shall extend in a northeasterly direction along the shoreline of Lake Superior to the city of Two Harbors. The trail shall be designed for bicycles and hikers, shall utilize existing highway and railroad right-of-way where possible, and shall be laid out in a manner to maximize the view of Lake Superior while traversing the length of the trail.

Sec. 14. [COORDINATION.]

When developing a plan to implement section 13, the commissioner shall involve the various jurisdictions through which the Superior Vista trail corridor would pass. This includes, but is not limited to, the St. Louis and Lake counties highway departments, the cities of Duluth and Two Harbors, the Minnesota department of transportation, and the St. Louis and Lake counties railroad authorities.

Sec. 15. Minnesota Statutes 1990, section 85.053, subdivision 5, is amended to read:

Subd. 5. [DAILY VEHICLE PERMIT FOR GROUPS.] The commissioner ~~may authorize~~ shall prescribe a special daily vehicle state park ~~permits~~ permit for groups ~~by rule for use of state parks, state recreation areas, or state waysides for up to one day under conditions prescribed by the commissioner.~~

Sec. 16. Minnesota Statutes 1990, section 85.055, subdivision 1, is amended to read:

Subdivision 1. [FEES.] The fee for state park permits for:

- (1) an annual use of state parks is ~~\$16~~ \$18;
- (2) a second vehicle state park permit is ~~one-half the annual state park permit fee in clause (1)~~ \$12;
- (3) a special state park permit valid up to two days is ~~\$3.25~~ \$4;
- (4) a special daily vehicle state park permit for groups is ~~as prescribed by the commissioner~~ \$2;
- (5) an employee's state park permit is without charge;
- (6) a special state park permit for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (2), is ~~one-half the annual state park permit fee in clause (1)~~ \$12; and
- (7) a special state park permit valid up to two days for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (3), is ~~\$2~~ \$4.

The fees specified in this subdivision include any sales tax required by state law.

Sec. 17. Minnesota Statutes 1990, section 85.22, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The revolving fund established under Laws 1941, chapter 548, section 37, subdivision E, item 4 is the state parks working capital account. The account is to be used to maintain and operate the revenue producing facilities and to operate the resource management and interpretive programs in the state parks within the limits in this section.

Sec. 18. Minnesota Statutes 1990, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of items in state parks park items shall be deposited in the state treasury and be credited to the state parks working capital account. The Money in the account is annually appropriated solely for the purchase and payment of expenses attributable to items for resale or rental.

Sec. 19. Minnesota Statutes 1990, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivisions 1 to 6, that is 17 feet in length or longer, 5 for management of control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil according to law in public waters and public wetlands.

Sec. 20. [88.86] [MINNESOTA RELEAF PROGRAM.]

The Minnesota releaf program is established in the department of natural resources to encourage, promote, and fund the planting, maintenance, and improvement of trees in this state to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 21. [IMPLEMENTATION PLAN.]

Subdivision 1. [DESCRIPTION.] (a) The commissioner of natural resources in cooperation with the commissioners of the pollution control agency and department of agriculture shall prepare and submit to the legislative commission on Minnesota resources an implementation plan for the Minnesota releaf program containing the following elements:

(1) primary and secondary criteria for selecting projects for funding under the Minnesota releaf program; and

(2) recommended procedures for processing grant applications and allocating funds.

(b) The primary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) reduction and mitigation of adverse environmental impacts of atmospheric carbon dioxide; and

(2) promotion of energy conservation.

(c) The secondary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) balancing of urban and rural needs;

(2) preservation of existing trees in urban areas;

(3) promotion of biodiversity, including development of disease-resistant and drought-resistant tree species;

(4) erosion control;

(5) enhancement of wildlife habitat;

(6) encouragement of cost sharing with public and private entities;

(7) enhancement of recreational opportunities in urban and rural areas;

(8) coordination with existing state and federal programs;

(9) acceleration of the planting of harvestable timber;

(10) creation of employment opportunities for disadvantaged youth; and

(11) maximization of the use of volunteers.

Subd. 2. [DUTIES OF THE COMMISSIONER OF NATURAL RESOURCES.] By February 1, 1992, the commissioner of natural resources shall transmit to the legislature the implementation plan prepared under subdivision 1, and the recommendations prepared under subdivision 3, together with all recommended legislation to implement the Minnesota releaf program and the supporting fee structure.

Subd. 3. [DUTIES OF THE POLLUTION CONTROL AGENCY.] (a) The pollution control agency, in consultation with potentially affected parties, shall prepare implementation recommendations for

applying a fee on carbon dioxide emissions for the Minnesota releaf program. The agency's analysis must include:

(1) a review of the carbon dioxide sources and proposed fee base identified in the study prepared in accordance with Laws 1990, chapter 587, section 2;

(2) recommendations regarding exemptions, if any, that should be granted;

(3) a recommended method for measuring the amount of carbon dioxide emitted by various sources;

(4) a recommended procedure for administering and collecting the fees from the sources described in clause (3); and

(5) an estimate of revenue that would be generated by the fees.

(b) The agency shall submit implementation recommendations to the commissioner of natural resources by December 1, 1991.

Sec. 22. [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES PARTICIPATION.]

The commissioners of natural resources and pollution control agency shall include the preparation of the plans required for the implementation of the Minnesota releaf program as part of the tree and shrub planting project funded in article 1, section 14. In compliance with article 1, section 14, an amended work plan for the tree and shrub planting project including the Minnesota releaf plans shall be submitted to the legislative commission on Minnesota resources for approval.

Sec. 23. Minnesota Statutes 1990, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. Requests for sale must be made prior to December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by December 31, ~~1993~~ 1994, subject to subdivision 3, clause (d). The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section. In 1990 and 1991 a request for sale may be withdrawn by a lessee at any time more than ten days before the day set for a sale. Property withdrawn from sale by its lessee is not subject to sale

under this section until the lessee makes another request. Property withdrawn from sale shall continue to be governed by other law.

Sec. 24. Minnesota Statutes 1990, section 97A.075, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] The commissioner may use the revenue from the Minnesota migratory waterfowl stamps for:

(1) development of wetlands in the state and designated waterfowl management lakes for maximum migratory waterfowl production including the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes;

(2) ~~protection and propagation~~ management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) acquisition of and access to structure sites; and

(5) necessary related administrative costs not to exceed ten percent of the annual revenue.

Sec. 25. Minnesota Statutes 1990, section 97A.015, subdivision 53, is amended to read:

Subd. 53. [UNPROTECTED WILD ANIMALS.] "Unprotected wild animals" means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, ~~and civet cat, and unprotected birds.~~

Sec. 26. Minnesota Statutes 1990, section 97A.141, is amended by adding a subdivision to read:

Subd. 4. [COOPERATION WITH METROPOLITAN GOVERNMENTAL UNITS.] Local units of government owning lands adjacent to public waters within the seven-county metropolitan area shall cooperate with the commissioner to use those lands for public access purposes when identified by the commissioner under subdivision 1. If cooperation does not occur, the commissioner may use condemnation authority under this section to acquire an interest in the local government lands for public access purposes.

Sec. 27. Minnesota Statutes 1990, section 97A.325, subdivision 2, is amended to read:

Subd. 2. [DEER; BEAR; MOOSE; ELK; CARIBOU.] Except as provided in subdivision 1, a person that violates a provision of the game and fish laws relating to buying or selling deer, bear, moose, elk, or caribou is guilty of a gross misdemeanor.

Sec. 28. Minnesota Statutes 1990, section 97A.431, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a moose license shall be determined under this section and commissioner's order. A person is eligible for a moose license only if the person:

- (1) is a resident;
- (2) is at least age 16 before the season opens; and
- (3) has not been issued a moose license *for any of the last five seasons or after January 1, 1991.*

Sec. 29. Minnesota Statutes 1990, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is ~~a resident and~~ at least age 16 before the season opens or possesses a firearms safety certificate.

Sec. 30. Minnesota Statutes 1990, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$10;
- (2) for persons age 65 or over, \$5;
- (3) to take turkey, ~~\$14~~ \$16;
- (4) to take deer with firearms, \$22;
- (5) ~~family license to take deer with firearms, \$84;~~
- (6) to take deer by archery, \$22;

~~(7)~~ (6) to take moose, for a party of not more than ~~four~~ six persons, \$275;

~~(8)~~ (7) to take bear, \$33; ~~and~~

~~(9)~~ (8) to take elk, for a party of not more than two persons, \$220; and

(9) to take antlered deer in more than one zone, \$44.

Sec. 31. Minnesota Statutes 1990, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take small game, \$56;

(2) to take deer with firearms, \$110;

(3) to take deer by archery, \$110;

(4) to take bear, \$165;

(5) to take turkey, ~~\$33~~ \$56; and

(6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50.

Sec. 32. Minnesota Statutes 1990, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take fish by angling, ~~\$20~~ \$25;

(2) to take fish by angling limited to seven consecutive days, \$16.50;

(3) to take fish by angling for three consecutive days, \$13.50;

(4) to take fish by angling for a combined license for a family, ~~\$33.50~~ \$35;

(5) to take fish by angling for a period of 24 hours from the time of issuance, \$5; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, \$25.

Sec. 33. Minnesota Statutes 1990, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding the small game surcharge and issuing fees, the fishing surcharge and issuing fees, and the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 34. Minnesota Statutes 1990, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.

(e) A person may take turkey without a small game license.

Sec. 35. Minnesota Statutes 1990, section 97B.721, is amended to read:

97B.721 [LICENSE REQUIRED TO TAKE TURKEY.]

A person may not take turkey without ~~a small game license and a~~ turkey license.

Sec. 36. Minnesota Statutes 1990, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of comprehensive water plans that assures the plans are consistent with state law; ~~and~~

(6) report to the legislative commission on Minnesota resources as required by section 103B.351; and

(7) make grants to counties for comprehensive local water planning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.

Sec. 37. Minnesota Statutes 1990, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this ~~subdivision~~ paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs

include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program; and

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); pollutant regulated under Minnesota Rules, chapter 7005; and each pollutant, except carbon monoxide, for which a national or state primary ambient air quality standard has been promulgated.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after 1990 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of:

(1) the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year; and

(2) the revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) The agency shall adopt the fee rules for this subdivision by September 1, 1991.

Sec. 38. [REPORT.]

The pollution control agency shall report to the legislature by December 30, 1992, on the following:

(1) the basis on which air emission fees are assessed for each pollutant;

(2) the basis on which air emission fees are distributed among various emission sources;

(3) how the scope and costs of Minnesota air emission fees and air quality programs compare to neighboring states; and

(4) the allocation of air emission fees among various programs within the air quality division.

Sec. 39. Minnesota Statutes 1990, section 116P.05, is amended to read:

116P.05 [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. ~~The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 116P.08.~~

~~(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 116P.13. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

(e) (b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

~~(d)~~ (c) Members shall serve on the commission until their successors are appointed.

(e) (d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

~~(f)~~ (c) The commission may adopt ~~bylaws and~~ operating procedures to fulfill their duties under sections 116P.01 to 116P.13.

Sec. 40. Minnesota Statutes 1990, section 116P.06, is amended to read:

116P.06 [ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Subd. 2. [DUTIES.] (a) The advisory committee shall:

(1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather input from the resources congress during development of the draft strategic plan;

(4) advise the commission on project proposals to receive funding from the trust fund; and

(5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

(1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) duplicate existing federal, state, or local projects being conducted within the state; and

(3) are consistent with the most recent strategic plan adopted by the commission.

Sec. 41. Minnesota Statutes 1990, section 116P.07, is amended to read:

116P.07 [RESOURCES CONGRESS.]

The commission must convene a resources congress at least once every biennium and shall develop procedures for the congress. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects. The congress shall also review the reinvest in Minnesota program.

Sec. 42. Minnesota Statutes 1990, section 116P.08, subdivision 3, is amended to read:

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. ~~The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress, and commission during the development of the strategic plan.~~ The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

~~(b) The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the~~

~~commission for approval. The commission shall develop the procedures for the resources congress.~~

(e) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Sec. 43. Minnesota Statutes 1990, section 116P.08, subdivision 4, is amended to read:

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation; ~~except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:~~

~~(1) the projects meet the standards and funding categories set forth in sections 116P.01 to 116P.12;~~

~~(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and~~

~~(3) the projects are consistent with the most recent strategic plan adopted by the commission.~~

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 44. Minnesota Statutes 1990, section 116P.09, subdivision 2, is amended to read:

Subd. 2. [LIAISON OFFICERS.] The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. ~~The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.~~

Sec. 45. Minnesota Statutes 1990, section 116P.09, subdivision 4, is amended to read:

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources ~~account~~ fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Sec. 46. Minnesota Statutes 1990, section 116P.09, subdivision 7, is amended to read:

Subd. 7. [REPORT REQUIRED.] The commission shall, by ~~July 1~~ January 15 of each ~~even-numbered~~ odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources ~~account~~ fund during the preceding ~~two years~~ biennium;
- (3) a summary of any research project completed in the preceding ~~two years~~ biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next ~~two years~~ biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the ~~trust fund's~~ trust fund's assets and liabilities of the trust fund and the Minnesota future resources fund;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000; and

(10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and

(11) a copy of the most recent ~~certified financial and~~ compliance audit.

Sec. 47. [GLENDALOUGH STATE PARK.]

Subdivision 1. [85.012] [Subd. 23a.] [GLENDALOUGH STATE PARK.] Glendalough state park is established in Otter Tail county.

Subd. 2. [ACQUISITION.] The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Glendalough state park. The commissioner shall give emphasis to the management of wildlife within the park and shall interpret these management activities for the public. Except as otherwise provided in this subdivision, all lands acquired for Glendalough state park shall be administered in the same manner as provided for other state parks and shall be perpetually dedicated for that use.

Subd. 3. [PAYMENT IN LIEU OF TAXES FOR PRIVATE TRACTS.] (a) If a tract or lot or privately owned land is acquired for inclusion within Glendalough state park and, as a result of the acquisition, taxes are no longer assessed against the tract or lot or improvements on the tract or lot, the following amount shall be paid by the commissioner of natural resources to Otter Tail county for distribution to the taxing districts:

(1) in the first year after taxes are last required to be paid on the property, 55 percent of the last required payment;

(2) in the second year after taxes are last required to be paid on the property, 40 percent of the last required payment; and

(3) in the third year after taxes are last required to be paid on the property, 20 percent of the last required payment.

(b) The commissioner shall make the payments from money appropriated for state park maintenance and operation. The county auditor shall certify to the commissioner of natural resources the total amount due to a county on or before March 30 of the year in which money must be paid under this section. Money received by a county under this subdivision shall be distributed to the various taxing districts in the same proportion as the levy on the property in the last year taxes were required to be paid on the property.

Subd. 4. [BOUNDARIES.] The following described lands are located within the boundaries of Glendalough state park:

Government Lots 3 and 4 and that part of Lake Emma and its lake bed lying in Section 7; all of Section 18; Government Lot 1, the Northeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northwest Quarter of Section 19; all in Township 133 North, Range 39 West.

All of Section 13; Government Lots 1 and 2, the West Half of the Southeast Quarter, the Northeast Quarter and the Southwest Quarter of Section 14; Government Lots 1 and 2, the East 66 feet of the West Half of the Southeast Quarter and the Northeast Quarter of Section 23; Government Lots 1, 2, 3, 4, 5, 6, and 8, the Northwest Quarter of the Northwest Quarter, the East Half of the Southeast Quarter of Section 24; that part of Government Lot 7 of Section 24 lying easterly of the following described line: commencing at the northeast corner of Government Lot 1 of Section 25, Township 133 North, Range 40 West; thence North 89 degrees 22 minutes 29 seconds West on an assumed bearing along the north line of said Section 25 a distance of 75.00 feet to the point of beginning; thence on a bearing of North 37 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; that part of Government Lot 1 of Section 25 lying northerly of County State Aid Highway No. 16 and westerly of the following described line: commencing at the northeast corner of said Government Lot 1; thence on an assumed bearing of South along the east line of said Government Lot 1 a distance of 822.46 feet; thence North 77 degrees 59 minutes 14 seconds West 414.39 feet to the point of beginning; thence North 04 degrees 28 minutes 54 seconds East 707 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; the westerly 50 feet except the northerly 643.5 feet of Government Lot 1 of Section 25; Government Lot 1 of Section 26 except the easterly 50 feet of the northerly 643.5 feet; all in Township 133 north, Range 40 West.

Sec. 48. [REPEALER.]

Minnesota Statutes 1990, section 116.86, is repealed.

Sec. 49. [EFFECTIVE DATE.]

Sections 15 and 16 are effective October 1, 1991. Sections 30, 31, and 32 are effective for the licensing year beginning March 1, 1992, and for each licensing year thereafter.

ARTICLE 3

AGRICULTURE

Section 1. [17.107] [FARM EQUIPMENT SAFETY AND MAINTENANCE PROGRAM FOR YOUTH.]

Subdivision 1. [PROGRAM COORDINATION.] The Minnesota

extension service, in cooperation with the commissioner of agriculture, shall implement a voluntary farm equipment safety program for training and certifying rural youth. The program must be designed to teach young operators to safely maintain and operate tractors and other farm implements. The extension service shall maintain records adequate to verify the names and addresses of students certified by the safety program.

Subd. 2. [INSTRUCTOR DEVELOPMENT.] Not later than August 1, 1991, the Minnesota extension service shall design a program for the recruitment and development of qualified instructors for the youth farm equipment safety program created under subdivision 1.

Subd. 3. [PAYMENT TO INSTRUCTORS.] From within public or nonpublic funds made available for the youth farm equipment safety program created under subdivision 1, the commissioner of agriculture may make payments of \$25 per student to qualified instructors on a per-student basis.

Sec. 2. Minnesota Statutes 1990, section 18.46, subdivision 6, is amended to read:

Subd. 6. [NURSERY STOCK GROWER.] A nursery operator: A “Nursery operator is any stock grower” means a person who owns, leases, manages, or is in charge of a nursery.

Sec. 3. Minnesota Statutes 1990, section 18.46, subdivision 9, is amended to read:

Subd. 9. [NURSERY STOCK DEALER.] A dealer: A “Nursery stock dealer is any” means a person who obtains nursery stock for the purpose of sale or distribution and includes any person who sells and distributes for more than one nursery operator stock grower. A person who purchases more than half of the nursery stock offered for sale at a sales location during the current certificate year shall be considered a nursery stock dealer rather than a nursery operator stock grower for the purposes of determining a proper fee schedule.

Sec. 4. Minnesota Statutes 1990, section 18.46, is amended by adding a subdivision to read:

Subd. 9a. [LANDSCAPER.] “Landscaper” is a nursery stock dealer who obtains certified nursery stock for immediate sale, distribution, or installation and who does not grow or maintain nursery stock for resale.

Sec. 5. Minnesota Statutes 1990, section 18.49, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE.] It is unlawful for a person to sell or distribute nursery stock to a nursery stock dealer or nursery operator stock grower who does not have a valid certificate of inspection grower's or dealer's certificate.

Sec. 6. Minnesota Statutes 1990, section 18.51, is amended to read:

18.51 [NURSERY STOCK GROWER'S CERTIFICATE OF INSPECTION.]

Subdivision 1. [CERTIFICATE REQUIRED.] Each nursery operator stock grower shall obtain a nursery stock grower's certificate of inspection from the commissioner. Said certificate shall be obtained before offering nursery stock for sale or distribution. Each certificate shall expire on November 15 December 31 of each year.

Subd. 2. [FEES; PENALTY.] A nursery operator stock grower shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the operator's nursery stock grower's nurseries as follows:

Nurseries:

- | | |
|---|--|
| (1) 1/2 acre or less | <u>\$40</u> <u>\$70</u> per nursery <u>operator stock grower</u> |
| (2) Over 1/2 acre to and including 2 acres | <u>\$60</u> <u>\$85</u> per nursery <u>operator stock grower</u> |
| (3) Over 2 acres to and including 10 acres | <u>\$125</u> <u>\$150</u> per nursery <u>operator stock grower</u> |
| (4) Over 10 acres to and including 50 acres | <u>\$360</u> <u>\$400</u> per nursery <u>operator stock grower</u> |
| (5) Over 50 acres | <u>\$725</u> per nursery <u>operator stock grower</u> for the first <u>50 acres</u> and <u>\$1</u> per acre for each additional acre |

In addition to the above fees, A minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 7. Minnesota Statutes 1990, section 18.52, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATES REQUIRED.] A dealer's nursery

stock dealer certificate shall be obtained by every nursery stock dealer for each location before offering nursery stock for sale or distribution unless the nursery stock dealer holds a valid greenhouse or nursery operator's stock grower's certificate either of which will permit a single sales location. This certificate or a duplicate thereof shall be displayed in a prominent manner at each place where nursery stock is offered for sale. A certificate to sell or distribute certified nursery stock may be obtained by a nursery stock dealer or by an agent through a principal, from the commissioner. The commissioner may refuse to issue a dealer's nursery stock dealer or agent's agent certificate for cause.

Sec. 8. Minnesota Statutes 1990, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A nursery stock dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A nursery stock dealer operating for the first year will pay the minimum fee.

Dealers:

(1)	Gross sales up to <u>\$1,000 \$5,000</u>	at a location <u>\$40 \$70</u> per location
(2)	Gross sales over \$1,000 and up to \$5,000	at a location <u>\$50</u> per location
(3)	Gross sales over \$5,000 up to \$10,000	at a location <u>\$85 \$100</u> per location
(4)	(3) Gross sales over \$10,000 up to \$25,000	at a location <u>\$125 \$200</u> per location
(5)	(4) Gross sales over \$25,000 up to \$75,000	at a location <u>\$175 \$300</u> per location
(6)	(5) Gross sales over \$75,000 up to \$100,000	at a location <u>\$260 \$400</u> per location
(7)	(6) Gross sales over \$100,000 <u>up to \$250,000</u>	at a location <u>\$400 \$500</u> per location
(7)	Gross sales over \$250,000	at a location <u>\$600</u> per location

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 9. Minnesota Statutes 1990, section 18.54, subdivision 2, is amended to read:

Subd. 2. [VIRUS DISEASE-FREE CERTIFICATION.] The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nursery ~~operators~~ stock growers shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating nursery ~~operators~~ stock growers for services and materials that are necessary to conduct this type of work, as provided in section 16A.128.

Sec. 10. Minnesota Statutes 1990, section 18.55, is amended to read:

18.55 [RECIPROCITY WITH OTHER STATES.]

Subdivision 1. [OUT-OF-STATE NURSERY OPERATOR STOCK GROWER, DEALER, OR AGENT.] A nursery ~~operator~~ stock grower, dealer, or agent from another state which issues certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such state may operate in Minnesota upon complying with the plant pest act without procuring a Minnesota certificate. Any person from another state shipping nursery stock into Minnesota shall be accorded treatment similar to that which is required of Minnesota nursery ~~operators~~ stock growers, dealers, or agents who ship or sell nursery stock in such state. No reciprocity shall be extended under this section until the commissioner has first determined which states issue certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such states.

Subd. 2. [FILING OUT-OF-STATE CERTIFICATES OF INSPECTION.] Each out-of-state nursery ~~operator~~ stock grower or dealer whose nursery stock is sold, offered for sale, or distributed within this state shall file a certified current copy of an out-of-state certificate in the office of the commissioner. The commissioner may accept, in lieu of such individual certificates, a certified list of current certified nursery ~~operators~~ stock growers or dealers from the regulatory agency having jurisdiction in the state of origin, and may distribute such lists to persons in the state of Minnesota requesting them. The commissioner also may supply certified lists of certified Minnesota nursery ~~operators~~ stock growers and dealers offering nursery stock for sale in Minnesota and other states on request of any person. If any certified nursery ~~operator~~ stock grower or dealer has violated any provisions of the plant pest act, the filed certificate will be voided or the nursery ~~operator's~~ person's name will be stricken from the appropriate certified list.

Sec. 11. Minnesota Statutes 1990, section 18.56, is amended to read:

18.56 [TAGS.]

A tag bearing a reasonable facsimile of the nursery stock grower or dealer certificate of inspection shall be attached to every package or bundle of nursery stock sold or transported by any person. The form of each tag shall be approved by the commissioner before being used.

Sec. 12. Minnesota Statutes 1990, section 18.57, is amended to read:

18.57 [CARRIERS NOT TO ACCEPT UNTAGGED STOCK.]

All carriers for hire, including railroad companies, express companies and truck lines shall not accept nursery stock which is not tagged with a valid tag of the nursery stock grower or dealer making the shipment. The carrier shall promptly notify the commissioner regarding any prohibited shipment.

Sec. 13. Minnesota Statutes 1990, section 18.60, is amended to read:

18.60 [PENALTIES.]

Subdivision 1. [~~CERTIFICATE MAY BE REVOKED~~ REVOCA-TION.] In addition to or in lieu of administrative penalties under subdivision 2, the certificate of any person violating any of the provisions of the plant pest act may be suspended or revoked by the commissioner upon five days notice and opportunity to be heard.

Subd. 2. [~~MISDEMEANOR ADMINISTRATIVE PENALTY.~~] Any person violating any of the provisions of the plant pest act, or any rule promulgated thereunder shall be guilty of a misdemeanor. The commissioner may impose an administrative penalty on a person who violates sections 18.44 to 18.61. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation. In determining the amount of the administrative penalty to be assessed under this section, the commissioner shall consider the gravity of the offense, the size of the business involved, and the effect of the penalty on the person's ability to continue in business.

Subd. 3. [APPEAL.] A person adversely affected by an act, order,

or ruling made under this section, or a rule adopted under the plant pest act, may appeal under chapter 14.

Sec. 14. Minnesota Statutes 1990, section 27.19, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] (a) A person subject to the provisions of this section and sections 27.01 to 27.15 may not:

(1) operate or advertise to operate as a dealer at wholesale without a license;

(2) make any false statement or report as to the grade, condition, markings, quality, or quantity of produce, as defined in section 27.069, received or delivered, or act in any manner to deceive a consignor or purchaser;

(3) refuse to accept a shipment contracted for by the person, unless the refusal is based upon the showing of a state inspection certificate secured with reasonable promptness after the receipt of the shipment showing that the kind and quality of produce, as defined in section 27.069, is other than that purchased or ordered by the person;

(4) fail to account or make a settlement for produce within the required time;

(5) violate or fail to comply with the terms or conditions of a contract entered into by the person for the purchase or sale of produce;

(6) purchase for a person's own account any produce received on consignment, either directly or indirectly, without the consent of the consignor;

(7) issue a false or misleading market quotation, or cancel a quotation during the period advertised by the person;

(8) increase the sales charges on produce shipped to the person by means of "dummy" or fictitious sales;

(9) receive decorative forest products and the products of farms and waters from foreign states or countries for sale or resale, either within or outside of the state, and give the purchaser the impression, through any method of advertising or description, that the produce is of Minnesota origin;

(10) fail to notify in writing all suppliers of produce of the protection afforded to suppliers by the person's licensee bond, includ-

ing: availability of a bond, notice requirements, and any other conditions of the bond;

(11) make a false statement to the commissioner on an application for license or bond or in response to written questions from the commissioner regarding the license or bond;

(12) commit to pay and not pay in full for all produce committed for. A processor may not pay an amount less than the full contract price if the crop produced is satisfactory for processing and is not harvested for reasons within the processor's control. If the processor sets the date for planting, bunching, unusual yields, and a processor's inability or unwillingness to harvest must be considered to be within the processor's control. Under this clause growers must be compensated for passed acreage at the same rate for grade and yield as they would have received had the crop been harvested in a timely manner minus any contractual provision for green manure or feed value. Both parties are excused from payment or performance for crop conditions that are beyond the control of the parties; or

(13) discriminate between different sections, localities, communities, or cities, or between persons in the same community, by purchasing produce from farmers of the same grade, quality, and kind, at different prices, except that price differentials are allowed if directly related to the costs of transportation, shipping, and handling of the produce and a person is allowed to meet the prices of a competitor in good faith, in the same locality for the same grade, quality, and kind of produce. A showing of different prices by the commissioner is prima facie evidence of discrimination.

(b) A separate violation occurs with respect to each different person involved, each purchase or transaction involved, and each false statement.

Sec. 15. Minnesota Statutes 1990, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The late penalty penalties may be waived by the commissioner.

Type of food handler	Penalties		
	License Fee	Late Renewal	No License
1. Retail food handler			
(a) <u>Having gross sales of only prepackaged nonperishable food of less than \$50,000</u> <u>\$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner</u>	\$ 40	\$ 15	\$ 25
(b) <u>Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year</u>	\$ 55	\$ 15	\$ 25
(b) (c) <u>Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year</u>	\$ 75 <u>\$105</u>	\$ 25 <u>\$ 35</u>	\$ 25 <u>\$ 75</u>
(e) (d) <u>Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$125</u> <u>\$180</u>	\$ 50	\$ 50 <u>\$100</u>
(d) (e) <u>Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$250</u> <u>\$500</u>	\$ 75 <u>\$100</u>	\$100 <u>\$175</u>
(f) <u>Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	\$700	\$150	\$300
(g) <u>Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	\$800	\$200	\$350
2. Wholesale food handler			
(a) <u>Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year</u>	<u>\$100</u> <u>\$200</u>	\$ 25 <u>\$ 50</u>	\$ 50 <u>\$100</u>

(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year			
	\$150	\$ 38	\$ 75
	<u>\$400</u>	<u>\$100</u>	<u>\$200</u>
(c) Having over \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year			
	\$200	\$ 50	\$100
	<u>\$500</u>	<u>\$125</u>	<u>\$250</u>
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year			
	\$575	\$150	\$300
3. Food broker	\$ 75	\$ 25	\$ 25
	<u>\$100</u>	<u>\$ 30</u>	<u>\$ 50</u>
4. Wholesale food processor or manufacturer			
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year			
	\$200	\$ 50	\$ 75
	<u>\$275</u>	<u>\$ 75</u>	<u>\$150</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year			
	\$275	\$ 75	\$100
	<u>\$400</u>	<u>\$100</u>	<u>\$200</u>
(c) Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year			
	\$375	\$100	\$125
	<u>\$500</u>	<u>\$125</u>	<u>\$250</u>
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year			
	\$575	\$150	\$300
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
(a) Having gross sales of less than \$250,000 for the immediately previous license or or fiscal year			
	\$100	\$ 25	\$ 38
	<u>\$150</u>	<u>\$ 50</u>	<u>\$ 75</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year			
	\$150	\$ 50	\$ 45
	<u>\$225</u>	<u>\$ 75</u>	<u>\$125</u>

(c) Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	<u>\$175</u> <u>\$275</u>	<u>\$ 50</u> <u>\$ 75</u>	<u>\$ 53</u> <u>\$150</u>
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	<u>\$325</u>	<u>\$100</u>	<u>\$175</u>
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15
7. <u>Nonresident frozen dairy manufacturer</u>	<u>\$200</u>	<u>\$ 50</u>	<u>\$ 75</u>

Sec. 16. Minnesota Statutes 1990, section 29.22, is amended to read:

29.22 [DEALERS EGG HANDLERS ANNUAL INSPECTION FEE; DISPOSITION OF FEES.]

Subd. 2. [COMPUTATION; FEE SCHEDULE; RECORDS.] In addition to the annual dealer's food handler's license, required under section 28A.04, there ~~shall be~~ is an annual inspection fee applicable to every person who engages in the business of buying for resale, selling, ~~dealing~~, or trading in eggs except a retail grocer who sells eggs previously candled and graded, ~~such~~. The fee ~~to~~ must be computed on the basis of the number of cases of shell eggs handled at each place of business during the month of April of each year, providing that if said dealer or processor is not operating during the month of April, the department shall estimate the volume of shell eggs handled, and may revise the fee after three months of operation. In the event that highest volume month of each licensing year. If a given lot of eggs is moved from one location of business to a second location of business and ~~provided that the dealers' food handler's license is held by the same person at both locations, the given lot of eggs shall must be counted in determining the volume of business on which the inspection fee is based at the first location of business but shall must not enter into the computation of volume of business for the second location.~~ For the purpose of determining fees, a case shall be "case" means one of 30 dozen capacity. The schedule of fees ~~shall be~~ is as follows:

**VOLUME (30 DOZEN CASES) IN APRIL MINIMUM -
MAXIMUM FEE**

<u>HIGHEST VOLUME OF CASES EACH LICENSING YEAR</u>	<u>FEE</u>
1 - 100	\$ 5 - \$ 10
51 - 100	\$ 25
101 - 1000	\$ 10 - \$ 25
1001 - 2000	\$ 25 - \$ 50
2001 - 4000	\$ 50 - \$ 75
4001 - 6000	\$ 75 - \$100
6001 - 8000	\$100 - \$125
8001 - 10,000	\$125 - \$150
OVER 10,000	\$150 - \$200
	\$250

The commissioner shall fix the annual inspection fee within the limits set herein and may annually adjust the fee, as the commissioner deems necessary, within those limits, to more nearly meet the costs of inspection required to enforce the provisions of sections 29.21 to 29.28. Each person subject to such the inspection fee in this section shall, under the direction of the commissioner, keep such records as may be necessary to accurately determine the volume of shell eggs on which the inspection fee is due and shall prepare annually a written report of such the volume upon forms supplied by the commissioner. This report, together with the required inspection fee, shall must be filed with the department on or before the last day of May of each year.

Subd. 3. [CANDLERS AND GRADERS.] The commissioner ~~shall~~ have has general supervisory powers over the candlers and graders of eggs and may conduct, in collaboration with the ~~institute~~ college of agriculture and the extension service of the University of Minnesota, an educational and training program to improve the efficiency and quality of the work done by such candlers.

Subd. 4. [EGG BREAKING PLANTS.] Any person engaged in the business of breaking eggs for resale shall at all times comply with the rules of the department in respect to the conduct of such that business. The commissioner shall collect from each egg breaking plant laboratory fees for routine analysis and full reimbursement for services performed by a state inspector assigned to that plant on a continuous basis ~~as provided for in~~ under section 29.27.

Subd. 5. [DEPOSIT DISPOSITION OF FEES; APPROPRIATION.] All fees collected, ~~together with~~ and all fines paid for ~~any~~ a violation of ~~any provision~~ of sections 29.21 to 29.28 or ~~any~~ rules promulgated ~~thereunder~~ under those sections, as well as all license fees and penalties for late license renewal, ~~shall~~ must be deposited in the state treasury, and ~~shall~~ be credited to a separate account to be known as the egg law inspection fund, which is hereby created,

set aside, and appropriated as a revolving fund to be used by the department to help defray the expense of inspection, supervision, and enforcement of sections 29.21 to 29.28 and shall be in addition to and not in substitution for the sums regularly appropriated or otherwise made available for this purpose to the department.

Sec. 17. Minnesota Statutes 1990, section 31.39, is amended to read:

31.39 [ASSESSMENTS; INSPECTION SERVICES; COMMERCIAL CANNERIES ACCOUNT.]

The commissioner is hereby authorized and directed to collect from each commercial cannery an assessment for inspection and services furnished, and for maintaining a bacteriological laboratory and employing such bacteriologists and trained and qualified sanitarians as the commissioner may deem necessary. The assessment to be made on each commercial cannery, for each and every packing season, shall not exceed one-half cent per case on all foods packed, canned, or preserved therein, nor shall the assessment in any one calendar year to any one cannery exceed ~~\$2,500~~ \$3,000, and the minimum assessment to any cannery in any one calendar year shall be \$100; ~~provided, that the amount of the annual license fee collected under section 28A.08 shall be used to reduce the annual assessment for that year.~~ The commissioner shall provide appropriate deductions from assessments for the net weight of meat, chicken, or turkey ingredients which have been inspected and passed for wholesomeness by the United States Department of Agriculture. The commissioner may, when the commissioner deems it advisable, graduate and reduce the assessment to such sum as is required to furnish the inspection and laboratory services rendered. The assessment made and the license fees, penalties, and other sums so collected shall be deposited in the state treasury, as other departmental receipts are deposited, but shall constitute a separate account to be known as the commercial canneries inspection account, which is hereby created, and together with moneys now remaining in said account, set aside, and appropriated as a revolving fund, to meet the expense of special inspection, laboratory and other services rendered, as provided in sections 31.31 to 31.392. The amount of such assessment shall be due and payable on or before December 31, of each year, and if not paid on or before February 15 following, shall bear interest after that date at the rate of seven percent per annum, and a penalty of ten percent on the amount of the assessment shall also be added and collected.

Sec. 18. Minnesota Statutes 1990, section 32.394, subdivision 8, is amended to read:

Subd. 8. [GRADE A INSPECTION FEES.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must

apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than ~~\$66~~ \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than ~~\$33~~ \$25 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. ~~If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set in this subdivision. The Grade A farm inspection fee must not exceed the lesser of (1) 40 percent of the department's actual average cost per farm inspection or reinspection; or (2) the dollar limits set in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.~~

Sec. 19. Minnesota Statutes 1990, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than ~~\$33~~ \$25 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one ~~annual~~ inspection required for certification, ~~an additional~~ a reinspection fee of no more than ~~\$33~~ \$25 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee must be set by the commissioner in an amount necessary to ~~meet~~ cover 40 percent of the department's actual cost of providing the ~~service~~ annual inspection but must not exceed the limits in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 20. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold in Minnesota. Beginning July 1, 1991, the fee is five cents per hundredweight. If the commissioner determines that a different fee, not exceeding nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 17 and 18, is needed to

provide adequate funding for the Grades A and B inspection programs, the commissioner may, by rule, change the fee on processors.

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

Sec. 21. Minnesota Statutes 1990, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of revenue shall make cash payments to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol during the period beginning July 1, 1989, and ending June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 1991, and may not exceed \$4,500,000 in any fiscal year during the period beginning July 1, 1991, and ending June 30, 2000. Total payments to any producer from the account in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 22. [137.341] [FARM SAFETY SPECIALIST POSITION.]

The Minnesota legislature finds that because the extension service has unique opportunities for delivering health and safety messages to farm families, the extension service is urged to retain and, to the extent practicable, keep filled at all times, the staff position of farm safety specialist.

Sec. 23. [137.342] [RESEARCH CENTER FOR AGRICULTURAL HEALTH AND SAFETY.]

Subdivision 1. [CREATION.] There is created within the division of environmental and occupational health in the University of Minnesota school of public health and under its direction an interagency, interdisciplinary research center for agricultural health and safety. The center shall coordinate funding for, and the findings of, research projects designed to reduce injury and death from farm accidents, reduce long-term exposure to potentially hazardous agricultural agents, and make health care services more available to persons who suffer from health problems related to agriculture.

Subd. 2. [FARM SAFETY ADVISORY COMMISSION.] The commissioner of agriculture may appoint a farm safety advisory commission to support, review, and monitor the programs and activities of the research center for agricultural health and safety. Appointees to the commission must represent a broad range of interests including education, production farming, agricultural wholesale and retail businesses, statewide farm organizations, and manufacturers of agricultural machinery and chemicals. The advisory commission may assist in raising funds and developing resources for the promotion of farm safety. The advisory commission may participate in farm safety advertising campaigns, farm equipment safety training, and farm safety audit programs.

SAFETY EQUIPMENT ON FARM TRACTORS

Sec. 24. [325F.6670] [EQUIPMENT REQUIRED AT TIME OF SALE.]

(a) No farm equipment dealer or other seller required to collect an excise tax under section 297A.02 may sell a farm tractor as defined in section 325F.6651, subdivision 2, unless, at the time of sale, the tractor is equipped with safety equipment as provided in paragraphs (b) and (c).

(b) If originally provided by the manufacturer, the farm tractor must have

(1) power-take-off shields; and

(2) road transport lighting and reflector systems.

(c) Whether or not originally provided by the manufacturer, the farm tractor must have a slow-moving vehicle sign displayed in accordance with section 169.522.

Sec. 25. [FARM SAFETY AUDIT PILOT PROJECT.]

Subdivision 1. [FINDING.] Farming continues to be one of the most dangerous occupations. All members of farm families experience risks and disabling accidents at a rate much higher than the general population of the state. A pilot project is needed to evaluate the effectiveness of farm safety audits in improving farm safety.

Subd. 2. [FARM SAFETY AUDIT PILOT PROJECT] The Minnesota extension service shall coordinate and carry out a farm safety audit pilot project involving comprehensive farm safety audits, performed as part of a partnership with selected township mutual insurance companies.

Subd. 3. [REPORT.] The Minnesota extension service and the commissioner of agriculture shall report by January 1, 1994, to the agriculture committees of the senate and house of representatives on the findings of the farm safety audit pilot project.

Sec. 26. [FARM VEHICLES AND DRIVERS; PUBLIC ROAD SAFETY RECOMMENDATIONS.]

The commissioner of public safety shall report to the legislature by July 1, 1992, on recommendations for changes in statute, administrative rule, or public education materials and practices to improve public road safety related to requirements for lighting and reflectors on farm vehicles.

Sec. 27. [PESTICIDE APPLICATOR TRAINING; EFFECTIVENESS.]

The Minnesota pesticide applicator education and training review board shall perform an evaluation of the extent to which the Minnesota extension service applicator training programs have resulted in safer handling of pesticides. The commissioner of agriculture shall report to the legislature on the findings of the board not later than April 1, 1992.

Sec. 28. [CONTINUED LEVEL OF DAIRY FARM INSPECTIONS.]

The commissioner of agriculture must continue dairy farm inspections at a level no lower than 1990.

Sec. 29. Laws 1987, chapter 396, article 6, section 2, is amended to read:

Sec. 2. [17.107] [MINNESOTA GROWN MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] *The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.*

Subd. 2. [FUNDING SOURCES.] *The Minnesota grown matching account shall consist of contributions from private sources and appropriations.*

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] (a) *Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989.*

(b) *Private contributions shall be matched on a basis of four dollars \$4 of the appropriation to each one dollar \$1 of private contributions. Matching funds are not available after the appropriation is encumbered. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988. Amounts that are not matched in fiscal year 1988 are available to be matched in fiscal year 1989.*

Subd. 4. [EXPENDITURES.] *The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.*

Sec. 30. [EFFECTIVE DATE.]

Sections 1 and 22 are effective the day following final enactment. Section 14 is effective the day following final enactment and covers contracts for the 1991 crop year. Sections 23 and 25 are effective July 1, 1991. Section 24 is effective October 1, 1991."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by the departments of agriculture and natural resources; amending Minnesota Statutes 1990, sections 14.18; 16A.123, subdivision 5; 18.191; 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1 and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; 18.60; 27.19, subdivision 1; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 41A.09, subdivision 3; 84.0855; 84.82, subdivisions 2 and 3; 84.944, subdivision 2; 84.96, subdivision 5; 85.015, by adding a subdivision; 85.053, subdivision 5; 85.055, subdivision 1; 85.22, subdivisions 1 and 2a; 86B.415, subdivision 7; 92.67, subdivision 1; 97A.075, subdivision 2; 97A.015, subdivision 53; 97A.141, by adding a subdivision; 97A.325, subdivision 2; 97A.431, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; 97B.601, subdivision 4; 97B.721; 103B.321, subdivision 1; 116.07, subdivision 4d; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7; and Laws 1987, chapter 396, article 6, section 2; proposing coding for new law in Minnesota Statutes, chapters 17; 84; 88; 137; and 325F; repealing Minnesota Statutes 1990, section 116.06."

We request adoption of this report and repassage of the bill.

Senate Conferees: STEVEN MORSE, CHARLES R. DAVIS, GENE MERRIAM, DENNIS R. FREDERICKSON AND GARY W. LAIDIG.

House Conferees: DAVID P. BATTAGLIA, STEPHEN G. WENZEL, TOM OSTHOFF, VIRGIL J. JOHNSON AND MARY JO MCGUIRE.

Battaglia moved that the report of the Conference Committee on S. F. No. 1533 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1533, A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Krinkie	Olson, E.	Skoglund
Anderson, I.	Greenfield	Krueger	Olson, K.	Smith
Anderson, R. H.	Gruenes	Lasley	Omman	Solberg
Battaglia	Gutknecht	Leppik	Onnen	Sparby
Bauerly	Hanson	Lieder	Orenstein	Stanius
Beard	Hartle	Limmer	Orfield	Steensma
Begich	Hasskamp	Long	Osthoff	Sviggum
Bertram	Hausman	Lourey	Ostrom	Swenson
Blatz	Heir	Lynch	Ozment	Thompson
Bodahl	Henry	Macklin	Pauly	Tompkins
Boo	Hufnagle	Mariani	Pellow	Trimble
Brown	Hugoson	Marsh	Pelowski	Tunheim
Carlson	Jacobs	McEachern	Peterson	Uphus
Carruthers	Janezich	McGuire	Pugh	Valento
Clark	Jefferson	McPherson	Reding	Vellenga
Cooper	Jennings	Milbert	Rice	Wagenius
Dawkins	Johnson, A.	Morrison	Rodosovich	Waltman
Dempsey	Johnson, R.	Munger	Runbeck	Weaver
Dille	Johnson, V.	Murphy	Sarna	Wejcman
Dorn	Kahn	Nelson, K.	Schafer	Welle
Erhardt	Kalis	Nelson, S.	Scheid	Wenzel
Farrell	Kelso	Newinski	Schreiber	Winter
Frederick	Kinkel	O'Connor	Seaberg	Spk. Vanasek
Garcia	Knickerbocker	Ogren	Segal	
Girard	Koppendrayner	Olsen, S.	Simoneau	

Those who voted in the negative were:

Bettermann	Davids	Haukoos
Dauner	Frerichs	Welker

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 598:

Kalis, Lieder, Pauly, Rice and Anderson, I.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1042

A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

May 17, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1042, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1042 be further amended as follows:

Page 1, after line 25, insert:

"Sec. 2. [RECOMMENDATIONS TO LEGISLATURE ON ECONOMIC DEVELOPMENT POLICY.]

The house economic development committee and the senate economic development and housing committee, in consultation with the department of trade and economic development, shall hold public hearings to receive citizen recommendations and shall report to the legislature by January 15, 1993, with recommendations on a statewide economic development policy for the state. The report shall:

(1) review and catalog the responsibilities and the relationships of the various state and local agencies involved in the delivery of services that promote economic development and redevelopment;

(2) recommend ways and means to better coordinate the delivery of economic development services;

(3) identify the ways in which the state provides support to economic development, including financing programs, technical assistance programs, promotion, training and education, and infrastructure development and maintenance;

(4) quantify the amount and types of expenditures on economic development;

(5) identify measures to evaluate the effectiveness of investments in economic development;

(6) consider recent changes in state tax law that affect economic development and redevelopment and evaluate the impact of these changes on local development;

(7) review and comment on proposals submitted to it by the governor and the legislature;

(8) review and comment on research reports, studies, and papers on the public sector role in economic development; and

(9) hold hearings and conduct informal surveys to solicit the positions of business, industry, labor, and service providers.

Sec. 3. [116J.661] [WORKPLACE SAFETY PROGRAM.]

The commissioner shall provide through the business assistance center a program that provides assistance to businesses to create a safe workplace and to reduce the number and severity of workplace injuries. The program must include:

(1) providing information to business through publications, seminars, and other means;

(2) providing specific advice to individual businesses; and

(3) conducting research and developing safety programs with emphasis on businesses that have a high rate of workplace injury."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for a report by the house economic development committee and the senate economic development and housing committee to the legislature on proposed economic development policy; creating a workplace safety program;"

Page 1, line 5, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 116J"

We request adoption of this report and repassage of the bill.

House Conferees: TED WINTER, IRV ANDERSON AND SYLVESTER UPHUS.

Senate Conferees: DENNIS R. FREDERICKSON, TRACY L. BECKMAN AND JAMES P. METZEN.

Winter moved that the report of the Conference Committee on H. F. No. 1042 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendraye	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1050

A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

May 18, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1050, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1050 be further amended as follows:

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "circumstances;"

Page 1, line 7, delete everything before "16B.37," and insert "section"

We request adoption of this report and repassage of the bill.

House Conferees: MYRON W. ORFIELD, PHIL CARRUTHERS AND DAVE BISHOP.

Senate Conferees: JOHN MARTY, GENE MERRIAM AND DENNIS R. FREDERICKSON.

Orfield moved that the report of the Conference Committee on H. F. No. 1050 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 74 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Brown	Dille	Hasskamp	Jennings
Battaglia	Carlson	Dorn	Hausman	Johnson, A.
Beard	Carruthers	Farrell	Jacobs	Johnson, R.
Begich	Clark	Garcia	Janezich	Kahn
Bertram	Cooper	Greenfield	Jaros	Kalis
Bodahl	Dawkins	Hanson	Jefferson	Kelso

Kinkel	Milbert	Orfield	Rodosovich	Trimble
Krueger	Munger	Osthoff	Rukavina	Tunheim
Lasley	Murphy	Ostrom	Sarna	Wagenius
Lieder	Nelson, K.	Pelowski	Scheid	Wejzman
Long	O'Connor	Peterson	Skoglund	Welle
Lourey	Ogren	Pugh	Solberg	Wenzel
Mariani	Olson, E.	Reding	Sparby	Winter
McEachern	Olson, K.	Rest	Steensma	Spk. Vanasek
McGuire	Orenstein	Rice	Thompson	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Simoneau
Anderson, R. H.	Goodno	Koppendraye	Omman	Smith
Bauerly	Gruenes	Krinkie	Onnen	Stanis
Bettermann	Gutknecht	Leppik	Ozment	Swiggum
Blatz	Hartle	Limmer	Pauly	Swenson
Boo	Haukoos	Lynch	Pellow	Tompkins
Davids	Heir	Macklin	Runbeck	Uphus
Dempsey	Henry	Marsh	Schafer	Valento
Erhardt	Hufnagle	McPherson	Schreiber	Waltman
Frederick	Hugoson	Morrison	Seaberg	Weaver
Frerichs	Johnson, V.	Newinski	Segal	Welker

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 20

A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

May 18, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 20, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 20 be further amended as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board

of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 2. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 11. [RATE INCREASE OR BENEFIT CHANGE.] The association must hold a public meeting to hear public comment at least two weeks before filing a rate increase or benefit change with the commissioner. Notice of the public meeting to hear public comment must be mailed at least two weeks before the meeting to all plan enrollees."

Page 1, line 6, delete "Section 1." and insert "Sec. 3."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "regulating the composition of the MCHA board and certain of its meetings;"

Page 1, line 3, after the semicolon insert "amending Minnesota Statutes 1990, sections 62E.10, subdivision 2; and 62E.11, by adding a subdivision;"

We request adoption of this report and repassage of the bill.

House Conferees: TED WINTER, WESLEY J. "WES" SKOGLUND AND RON ABRAMS.

Senate Conferees: JOHN MARTY, WILLIAM V. BELANGER, JR. AND JAMES P. METZEN.

Winter moved that the report of the Conference Committee on H. F. No. 20 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

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

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendrayner	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggun
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcmann
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1371

A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

May 17, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1371, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

We request adoption of this report and repassage of the bill.

House Conferees: CHUCK BROWN, ANDY STEENSMA AND STEVE DILLE.

Senate Conferees: CHARLES A. BERG, JIM VICKERMAN AND JOHN BERNHAGEN.

Brown moved that the report of the Conference Committee on H. F. No. 1371 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1371, A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Gutknecht	Johnson, R.	Lynch
Anderson, I.	Dauner	Hanson	Johnson, V.	Macklin
Anderson, R. H.	Dauids	Hartle	Kahn	Mariani
Battaglia	Dawkins	Hasskamp	Kalis	Marsh
Bauerly	Dempsey	Haukoos	Kelso	McEachern
Beard	Dille	Hausman	Kinkel	McGuire
Begich	Dorn	Heir	Knickerbocker	McPherson
Bertram	Erhardt	Henry	Koppendraye	Milbert
Bettermann	Farrell	Hufnagle	Krinkie	Morrison
Blatz	Frederick	Hugoson	Krueger	Munger
Bodahl	Frerichs	Jacobs	Lasley	Murphy
Boo	Garcia	Janezich	Leppik	Nelson, K.
Brown	Girard	Jaros	Lieder	Nelson, S.
Carlson	Goodno	Jefferson	Limmer	Newinski
Carruthers	Greenfield	Jennings	Long	O'Connor
Clark	Gruenes	Johnson, A.	Lourey	Ogren

Olsen, S.	Pellow	Schafer	Swiggum	Weaver
Olson, E.	Pelowski	Scheid	Swenson	Wejcman
Olson, K.	Peterson	Schreiber	Thompson	Welker
Omann	Pugh	Seaberg	Tompkins	Welle
Onnen	Reding	Simoneau	Trimble	Wenzel
Orenstein	Rest	Skoglund	Tunheim	Winter
Orfield	Rice	Smith	Uphus	Spk. Vanasek
Osthoff	Rodosovich	Solberg	Valento	
Ostrom	Rukavina	Sparby	Vellenga	
Ozment	Runbeck	Stanisus	Wagenius	
Pauly	Sarna	Steensma	Waltman	

Those who voted in the negative were:

Segal

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

SPECIAL ORDERS

S. F. No. 371 was reported to the House.

Vellenga moved to amend S. F. No. 371, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 13.82, is amended by adding a subdivision to read:

Subd. 14a. [DATA ON REGISTERED CRIMINAL OFFENDERS.] Data described in section 3 shall be classified as described in that section.

Sec. 2. Minnesota Statutes 1990, section 13.82, is amended by adding a subdivision to read:

Subd. 14b. [DATA IN MISSING CHILDREN BULLETINS.] Data described in section 7 shall be classified as described in that section.

Sec. 3. [243.166] [REGISTRATION OF SEX OFFENDERS.]

Subdivision 1. [REGISTRATION REQUIRED.] A person shall comply with this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25 or criminal sexual conduct under section 609.342, 609.343, or 609.344, and the offense was committed against a victim who was a minor;

(2) the sentencing court made a written finding at the sentencing

hearing that registration is necessary because there is a significant risk that the offender may, in the future, commit a crime listed in clause (1). The court's finding must contain the facts on which it is based including, but not limited to, the offender's offense history, the nature and severity of the current offense, and social or psychological information about the offender in the presentence investigation report;

(3) the person is not now required to register under section 243.165; and

(4) ten years have not yet elapsed since the person was released from imprisonment.

Subd. 2. [NOTICE.] When a person who is required to register under this section is released, the commissioner of corrections shall tell the person of the duty to register under section 243.165 and this section. The commissioner shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, within 14 days after the end of the term of supervised release, register with the probation officer assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the last assigned probation officer in writing within ten days. The probation officer shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the probation officer must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the probation officer shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension.

Subd. 5. [CRIMINAL PENALTY.] A person required to register under this section who violates any of its provisions is guilty of a misdemeanor.

Subd. 6. [REGISTRATION PERIOD.] (a) A person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was released from imprisonment.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Subd. 7. [USE OF INFORMATION.] The information provided under this section is private data on individuals under section 13.01, subdivision 12. The information may be used only for law enforcement purposes.

Sec. 4. Minnesota Statutes 1990, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 and 299C.53 to section 9, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; and

(d) "NCIC" means National Crime Information Center.

Sec. 5. Minnesota Statutes 1990, section 299C.52, subdivision 3, is amended to read:

Subd. 3. [COMPUTER EQUIPMENT AND PROGRAMS.] The commissioner shall provide the necessary computer hardware and computer programs to enter, modify, and cancel information on missing children in the NCIC computer through the CJIS. These programs must provide for search and retrieval of information using the following identifiers: physical description, name and date of birth, name and social security number, name and driver's license number, vehicle license number, and vehicle identification number. The commissioner shall also provide a system for regional, statewide, multistate, and nationwide broadcasts of information on missing children. These broadcasts shall be made by local law enforcement agencies where possible or, in the case of statewide or

nationwide broadcasts, by the bureau of criminal apprehension upon request of the local law enforcement agency.

Sec. 6. Minnesota Statutes 1990, section 299C.52, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioner may adopt rules in conformance with sections 299C.52 ~~and 299C.53~~ to section 9 to provide for the orderly collection and entry of missing child information and requests for retrieval of missing child information.

Sec. 7. [299C.54] [MISSING CHILDREN BULLETINS.]

Subdivision 1. [MISSING CHILDREN BULLETIN.] The commissioner shall distribute a missing children bulletin on a quarterly basis to local law enforcement agencies, county attorneys, and public and nonpublic schools. The commissioner shall also make this information accessible to other parties involved in efforts to locate missing children and to other persons as the commissioner considers appropriate.

Subd. 2. [PHOTOGRAPHS.] The commissioner shall provide appropriate local law enforcement agencies with a list of missing children, with an appropriate waiver form to assist the agency in obtaining a photograph of each missing child. Local agencies shall obtain the most recent photograph available for missing children and forward those photographs to the commissioner. The commissioner shall include these photographs, as they become available, in the quarterly bulletins.

Subd. 3. [INCLUDED WITH MAILINGS.] State and local elected officials and agencies may enclose in their mailings information regarding missing children obtained from law enforcement agencies or from any organization that is recognized as a nonprofit, tax-exempt organization under state or federal law and has an ongoing missing children program. Elected officials and commissioners of state agencies are urged to develop policies to enclose missing children information in mailings when it will not increase postage costs and is otherwise considered appropriate.

Subd. 4. [DATA CLASSIFICATION.] The information included in the missing children bulletin is public data as defined in section 13.01, subdivision 15, except that photographs of missing children obtained under this section are private data on individuals as defined in section 13.01, subdivision 12.

Sec. 8. [299C.55] [TRAINING.]

The commissioner shall adopt standards for training appropriate personnel concerning the investigation of missing children cases.

Sec. 9. [299C.56] [RELEASE OF MEDICAL DATA.]

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

(b) "Health care facility" means the office of a dentist or physician, or another medical facility, that is in possession of identifying data.

(c) "Identifying data" means dental or skeletal X-rays, or both, and related information, previously created in the course of providing dental or medical care to a child who has now been reported as missing.

Subd. 2. [WRITTEN DECLARATION.] If a child is reported missing, a law enforcement agency may execute a written declaration, stating that an active investigation seeking the location of the missing child is being conducted, and that the identifying data are necessary for the exclusive purpose of furthering the investigation. Notwithstanding chapter 13 or section 144.651, subdivision 16, when a written declaration executed under this subdivision, signed by a peace officer, is presented to a health care facility, the facility shall provide access to the missing child's identifying data to the law enforcement agency.

Sec. 10. Minnesota Statutes 1990, section 609.3461, is amended to read:

609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

When a court sentences a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or when a court sentences a person as a patterned sex offender pursuant to section 609.1352, or the juvenile court adjudicates a person a delinquent child for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155. If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender pursuant to section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 11. [EFFECTIVE DATE.]

Sections 1, 3, and 10 are effective August 1, 1991, and apply to offenders sentenced on or after that date. Sections 2 and 4 to 9 are effective August 1, 1991, and apply to crimes committed, and persons reported missing, on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; child abduction; requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; extending DNA analysis requirements to persons sentenced as patterned sex offenders; amending Minnesota Statutes 1990, sections 13.82, by adding subdivisions; 299C.52, subdivisions 1, 3, and 6; and 609.3461; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C."

The motion prevailed and the amendment was adopted.

Vellenga moved that S. F. No. 371, as amended, be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 300 was reported to the House.

Gutknecht moved to amend S. F. No. 300, as follows:

Page 11, delete lines 20 to 33

Page 11, line 34, delete "3" and insert "2"

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

S. F. No. 300, A bill for an act relating to health; clarifying requirements for licensing psychologists and psychological practitioners; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990, sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, 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 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Segal
Anderson, I.	Garcia	Knickerbocker	Olsen, S.	Simoneau
Battaglia	Girard	Koppendrayner	Olson, E.	Skoglund
Bauerly	Goodno	Krinkie	Olson, K.	Smith
Beard	Greenfield	Krueger	Omann	Solberg
Begich	Gruenes	Lasley	Orenstein	Sparby
Bertram	Gutknecht	Leppik	Orfield	Stanius
Bettermann	Hanson	Lieder	Osthoff	Steensma
Blatz	Hartle	Limmer	Ostrom	Swenson
Bodahl	Hasskamp	Long	Ozment	Tompkins
Boo	Hausman	Lourey	Pauly	Trimble
Brown	Heir	Lynch	Pellow	Tunheim
Carlson	Henry	Macklin	Pelowski	Uphus
Carruthers	Hufnagle	Mariani	Peterson	Valento
Clark	Hugoson	Marsh	Pugh	Vellenga
Cooper	Jacobs	McEachern	Rest	Wagenius
Dauner	Janezich	McGuire	Rice	Waltman
Davids	Jaros	Milbert	Rodosovich	Weaver
Dawkins	Jefferson	Morrison	Rukavina	Wejcman
Dempsey	Jennings	Munger	Runbeck	Welle
Dille	Johnson, A.	Murphy	Sarna	Wenzel
Dorn	Johnson, R.	Nelson, K.	Schafer	Winter
Erhardt	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Farrell	Kahn	Newinski	Schreiber	
Frederick	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Anderson, R. H.	Kinkel	Onnen	Welker
Haukoos	McPherson	Thompson	

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 244

A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

May 17, 1991

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 244, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 244 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

It is the purpose of this act to enhance the safety of Minnesota's school children by reducing the number of violations of school bus safety laws through:

(1) increased education for motorists, school bus drivers, and law enforcement officials in school bus safety laws;

(2) cooperative efforts by school personnel, law enforcement, and prosecuting attorneys;

(3) increased civil and criminal penalties for violations of school bus safety laws;

(4) strengthened enforcement of school bus safety laws; and

(5) a consistent and vigorous response by the judiciary to punish violators and thereby deter future violations.

Sec. 2. Minnesota Statutes 1990, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I, type II, or type III as follows:

(a) A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons. [MN Rules, part 3520.3701, subp 1]

(b) A "type II school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus. [MN Rules, part 3520.3701, subp 2]

(c) Type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" must not be outwardly equipped and identified as a school bus. [169.44, subd 15]

Sec. 3. [169.441] [SCHOOL BUS IDENTIFICATION.]

Subdivision 1. [IDENTIFICATION AND SIGNAL REQUIREMENTS, GENERALLY.] For purposes of sections 169.441 to 169.448, school bus means a motor vehicle that is outwardly equipped and identified as a school bus. A motor vehicle that satisfies the identification requirements of this section and the signal equipment requirements of section 169.442 is considered outwardly equipped and identified as a school bus. [169.44, subd 1a]

Subd. 2. [COLOR REQUIREMENTS.] (a) A new school bus must be painted national school bus glossy yellow if it is to be used in Minnesota as a school bus, and can seat more than ten people, including the driver.

(b) A school bus that is substantially repainted must be painted national school bus glossy yellow. [169.44, subd 1a]

(c) The roof of a school bus may be painted white.

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

The sign must be removed or covered when the vehicle is being used as other than a school bus. [169.44, subd 3]

Subd. 4. ["MN" DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after December 31, 1991, and used on streets and highways in Minnesota must bear the designa-

tion "MN" within the bus body identification number. The "MN" designation may be made only by the manufacturer and must not be located on either end of the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies by law. A school bus body manufactured before January 1, 1992, that does not bear a current inspection sticker on July 1, 1992, may not be used on streets and highways in Minnesota after July 1, 1992, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law. [169.44, subd 17]

Subd. 5. [OPTIONAL MARKINGS; RULES.] A school district or technical college may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of education. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

Sec. 4. [169.442] [SCHOOL BUS SIGNALS.]

Subdivision 1. [SIGNALS REQUIRED.] A type I or type II school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals. [169.44, subd 1a]

Subd. 2. [FLASHING SIGNALS ON STOP ARM.] A school bus stop signal arm may be equipped with alternately flashing red warning signals that are visible both to the front and to the rear of the bus. School buses manufactured after July 1, 1989, must be so equipped. [169.44, subd 14; MN Rules, parts 3520.5200, subps 7 and 8, and 7425.2100, subp 1, item II]

Subd. 3. [APPROVAL OF SIGNALS.] Flashing prewarning amber signals and flashing red signals must be of a type approved by the commissioner of public safety. The signals must be a complete system meeting minimum standards required by this section and state board of education rules. [169.44, subd 10]

Subd. 4. [OPTIONAL WARNING SYSTEM.] In addition to equipment required under subdivision 1, and notwithstanding section 169.64, a school bus may be equipped with a driver-activated, exterior student-control, warning system. The driver shall activate this system when the use of the stop signal arm and flashing red signals is required under section 169.443, subdivision 1. [169.44, subd 1d]

Subd. 5. [WHITE STROBE LAMPS ON SCHOOL BUSES.] Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b), or other law to the contrary, a school bus that is

subject to and complies with the color and equipment requirements of sections 169.441, subdivision 1, and 169.442, subdivision 1, may be equipped with a 360-degree, flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute. The lamp may be used only as provided in this subdivision.

The strobe lamp must be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Key formula. The lamp must be permanently mounted on the longitudinal center line of the bus roof not less than two feet nor more than seven feet forward of the rear roof edge. It must operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use.

The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus. [169.64, subd 7]

Sec. 5. [169.443] [SAFETY OF SCHOOL CHILDREN; BUS DRIVER'S DUTIES.]

Subdivision 1. [USING BUS SIGNALS.] A driver of a school bus shall activate the prewarning flashing amber signals of the bus before stopping to load or unload school children. The driver shall activate and continuously operate the amber signals for a distance of at least 100 feet before stopping in a speed zone of 35 miles per hour or less and at least 300 feet before stopping in a speed zone of more than 35 miles per hour. On stopping for this purpose, the driver shall extend the stop signal arm and activate the flashing red signals. The driver shall not retract the stop signal arm nor extinguish the flashing red signals until loading or unloading is completed, students are seated, and children who must cross the roadway are safely across. [169.44, subd 2, para (a)]

Subd. 2. [USE OF STOP SIGNAL ARM.] (a) The stop signal arm of a school bus must be used in conjunction with the flashing red signals only when the school bus is stopped on a street or highway to load or unload school children. [169.44, subd 1]

(b) A local authority, including the governing body of an Indian tribe, may by ordinance require that a school bus activate the stop signal arm and flashing red signals while stopped to unload school children at a location other than a location on a street or highway. The ordinance must designate each location where the requirement is imposed. The requirement is effective only if the local authority has erected signs at or near the location to provide adequate notice

that other vehicles are required to obey section 169.444, subdivision 1, when those signals are activated.

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity;

(4) at railroad grade crossings; and

(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people. [169.44, subd 2, para (b)]

Subd. 4. [STREET CROSSINGS.] Where school children must cross a roadway before getting on or after getting off the school bus, the driver of the school bus or a school bus patrol may supervise the crossing, using the standard school patrol flag or signal as approved and prescribed by the commissioner of public safety. Before moving the school bus, the driver of the bus shall visually determine that all children have crossed the roadway and that those who are to do so have boarded the school bus. [169.44, subd 2, para (c)]

Subd. 5. [MOVING BUS AFTER CHILDREN UNLOADED.] When children are getting off a school bus, the driver shall visually determine that they are a safe distance from the bus before moving the bus. [169.44, subd 2, para (c)]

Subd. 6. [OTHER BUSES.] The driver of a type III school bus shall load or unload school children only from the right-hand side of the vehicle, provided that on a one-way street the driver shall load or unload school children only from the curb side of the vehicle. When loading or unloading school children, the driver shall activate the vehicle's four-way hazard lights described in section 169.59, subdivision 4. [169.44, subd 2, para (d)]

Subd. 7. [VIOLATION.] A person who violates this section is guilty of a misdemeanor.

Sec. 6. [169.444] [SAFETY OF SCHOOL CHILDREN; DUTIES OF OTHER DRIVERS.]

Subdivision 1. [CHILDREN GETTING ON OR OFF SCHOOL BUS.] When a school bus is stopped on a street or highway, or other location where signs have been erected under section 169.443, subdivision 2, paragraph (b), and is displaying an extended stop signal arm and flashing red lights, the driver of a vehicle approaching the bus shall stop the vehicle at least 20 feet away from the bus. The vehicle driver shall not allow the vehicle to move until the school bus stop signal arm is retracted and the red lights are no longer flashing. [169.44, subd 1]

Subd. 2. [VIOLATIONS BY DRIVERS; PENALTIES.] (a) A person who fails to stop a vehicle or to keep it stopped, as required in subdivision 1, is guilty of a misdemeanor. [169.44, subd 1]

(b) A person is guilty of a gross misdemeanor if the person fails to stop a motor vehicle or to keep it stopped, as required in subdivision 1, and commits either or both of the following acts:

(1) passes or attempts to pass the school bus in a motor vehicle on the right-hand, passenger-door side of the bus; or

(2) passes or attempts to pass the school bus in a motor vehicle when a school child is outside of and on the street or highway used by the school bus or on the adjacent sidewalk.

Subd. 3. [PROSECUTOR.] 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 convictions under this section from a court, the court must furnish the information without charge.

Subd. 4. [EXCEPTION FOR SEPARATED ROADWAY.] A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

"Separated roadway" means a road that is separated from a parallel road by a safety isle or safety zone. [169.44, subd 4]

Subd. 5. [CAUSE FOR ARREST.] A peace officer may arrest the

driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours. [169.44, subd 1c, para (1)]

Subd. 6. [VIOLATION; PENALTY FOR OWNERS AND LESSEES.] (a) If a motor vehicle is operated in violation of subdivision 1, the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor.

(b) The owner or lessee may not be fined under paragraph (a) if (1) another person is convicted for that violation, or (2) the motor vehicle was stolen at the time of the violation.

(c) Paragraph (a) does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (a) does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1.

(e) A violation under paragraph (a) does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license. [169.44, subd 1c, para (2)]

Subd. 7. [EVIDENTIARY PRESUMPTION.] There is a rebuttable presumption that signals described in section 169.442 were in working order and operable when a violation of subdivision 1, 2, or 5 was allegedly committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.

Subd. 8. [SCHEDULING CASES.] When necessary or desirable to ensure that a school bus driver who witnessed or otherwise can provide relevant information concerning a violation of this section is available to be present at a court proceeding held to determine an alleged violation of this section, the court administrator shall schedule the proceeding to be held between the hours of 10:00 a.m. and 2:00 p.m.

Sec. 7. [169.445] [COOPERATION WITH LAW ENFORCEMENT; INFORMATION; RULES; REPORTS.]

Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] The state board of education shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Subd. 2. [INFORMATION; RULES.] The board shall compile information regarding violations, prosecutions, convictions or other

disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the board, local school authorities shall provide this information. The board may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Subd. 3. [LEGISLATIVE REPORT.] The board shall submit a report to the legislature by March 1, 1992, summarizing the information compiled under subdivision 2 for the previous calendar year, listing its findings, and making recommendations it considers appropriate.

Sec. 8. [169.446] [SAFETY OF SCHOOL CHILDREN; TRAINING AND EDUCATION RULES.]

Subdivision 1. [PEACE OFFICER TRAINING.] The board of peace officer standards and training shall include sections 169.441 to 169.448 and the enforcement of sections 169.443, 169.444, 169.447, and 169.448 in the instruction for the professional peace officer education program. The board shall notify the chief law enforcement officer of each law enforcement agency in the state of these sections.

Subd. 2. [DRIVER TRAINING PROGRAMS.] The commissioner of public safety shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at private and parochial schools and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Subd. 3. [DRIVER EDUCATION PROGRAMS.] The state board of education shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 9. [169.447] [SCHOOL BUS SAFETY.]

Subdivision 1. [PASSENGER SEATING.] (a) The number of pupils or other authorized passengers transported in a school bus must not be more than the number of pupils or passengers that can be fully seated. Seating capacity must be adjusted according to each passenger's individual physical size, but not more than the manufacturers' rated seating capacity.

(b) No person shall stand in the school bus when the bus is in motion. [169.44, subd 6]

Subd. 2. [DRIVER SEAT BELTS.] New school buses must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers must use these seat belts. [169.44, subd 9]

Subd. 3. [RECAPPED TIRES.] Recapped tires must not be used on the front wheels of a school bus. [169.44, subd 11]

Subd. 4. [AISLE AND EXIT.] The driver of a school bus shall keep the aisle and emergency exit of a school bus unobstructed at all times when children are being transported. [169.44, subd 12]

Subd. 5. [TRAILER BEHIND SCHOOL BUS.] A school bus may pull a trailer, as defined by section 169.01, subdivision 10, only when traveling to or from cocurricular or extracurricular activities, as defined in section 123.38. [169.44, subd 13]

Subd. 6. [OVERHEAD BOOK RACKS.] Types I and II school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus. [169.44, subd 16]

Sec. 10. [169.448] [OTHER BUSES.]

Subdivision 1. [RESTRICTIONS ON APPEARANCE; PENALTY.] A bus that is not used as a school bus may not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow or Minnesota school bus golden orange.

A bus that is not used as a school bus may not be operated if it is equipped with school bus-related equipment and printing.

A violation of this subdivision is a misdemeanor. [169.44, subd 8]

This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.

Subd. 2. [SCHOOL MOTOR COACHES.] (a) Neither a school district nor a technical college may acquire a motor coach for transportation purposes.

(b) A motor coach acquired by a school district or technical college before March 26, 1986, may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach may not be outwardly equipped and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. The state board of education shall implement rules

governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.

(c) After January 1, 1998, neither a school district nor a technical college may own or operate a motor coach for any purpose. [169.44, subd 18]

Subd. 3. [HEAD START VEHICLES.] Notwithstanding subdivision 1, a vehicle used to transport students under Public Law Number 99-425, the Head Start Act, may be equipped as a school bus.

Sec. 11. Minnesota Statutes 1990, section 169.45, is amended to read:

169.45 [SCHOOL BUSES BUS RULES, ENFORCEMENT.]

Subdivision 1. [BOARD OF EDUCATION RULES, ENFORCEMENT.] Except as provided in subdivision 2 and section 169.451, the state board of education has sole and exclusive authority to adopt and enforce rules not inconsistent with this chapter to govern the design, color, and operation of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Subd. 2. [PENALTY; ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the board under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 12. Minnesota Statutes 1990, section 169.451, is amended to read:

169.451 [SCHOOL BUS INSPECTION; RULES; PENALTY.]

Subdivision 1. [ANNUAL REQUIREMENT.] The Minnesota state patrol shall inspect every school bus annually to ascertain whether its construction, design, equipment, and color comply with all provisions of law.

Subd. 2. [INSPECTION CERTIFICATE.] No person shall drive, or no owner shall knowingly permit or cause to be driven, any school bus unless there is displayed thereon a certificate issued by the commissioner of public safety stating that on a certain date, which shall be within 13 months of the date of operation, a member of the

Minnesota state patrol inspected the bus and found that on the date of inspection the bus complied with the applicable provisions of state law relating to construction, design, equipment, and color. ~~The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.~~

Subd. 3. [RULES OF COMMISSIONER.] (a) The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.

(b) The commissioner of public safety shall provide by rule a point system for evaluating the effect on safety operation of any variance from law detected during school bus inspections conducted pursuant to subdivision 1.

Subd. 4. [VIOLATIONS; PENALTY.] The state patrol shall enforce subdivision 2. A violation of subdivision 2 is a misdemeanor.

Sec. 13. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 8. [CERTIFICATION; SCHOOL BUS SAFETY LAWS.] Before a driver's license may be issued or renewed, an applicant for a driver's license or renewal shall certify by signature that the applicant is aware of the duties and responsibilities required of drivers under section 169.444 to guard against jeopardizing the safety of school children around school buses and the penalties for violating that section. A failure to make this certification does not bar a prosecution for violation of section 169.444.

Sec. 14. Minnesota Statutes 1990, section 171.17, is amended to read:

171.17 [REVOCATION.]

Subdivision 1. [OFFENSES.] The department shall forthwith immediately revoke the license of any a driver upon receiving a record of such the driver's conviction of any of the following offenses:

(1) manslaughter or criminal vehicular operation resulting from the operation of a motor vehicle;

(2) ~~any~~ a violation of section 169.121 or 609.487;

(3) ~~any~~ a felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under the laws of this state, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the ownership or operation of a motor vehicle;

(6) except as this section otherwise provides, conviction, plea of guilty, or forfeiture of bail not vacated, upon three charges of violating, within a period of 12 months, any of the provisions of chapter 169, or of the rules or municipal ordinances enacted in conformance ~~therewith~~ with chapter 169, for which the accused may be punished upon conviction by imprisonment;

(7) conviction of two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

(8) conviction of the misdemeanor offense described in section 169.443, subdivision 7, or the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

(9) conviction of an offense in another state ~~which~~ that, if committed in this state, would be grounds for ~~the revocation of~~ revoking the driver's license.

Subd. 2. [OFFENSES BY JUVENILES.] When ~~any~~ judge of a juvenile court, ~~judge or any of its~~ duly authorized ~~agents, agent~~ determines under a proceeding held under chapter 260 that ~~any~~ a person under the age of 18 years has committed ~~any~~ an offense defined in this section, ~~such~~ the judge, or ~~duly~~ authorized agent, shall immediately report this determination to the department, and the commissioner shall immediately revoke the person's driver's license of that person.

Subd. 3. [NOTICE.] Upon revoking ~~the license of any person, as hereinbefore in a driver's license under~~ this chapter ~~authorized~~, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon.~~

Sec. 15. Minnesota Statutes 1990, section 171.18, is amended to read:

171.18 [SUSPENSION.]

Subdivision 1. [OFFENSES.] The commissioner ~~shall have authority to and~~ may suspend the license of ~~any~~ a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction; ~~or~~

(2) has been convicted by a court of competent jurisdiction for ~~violation of~~ violating a provision of the highway traffic regulation act chapter 169 or an ordinance regulating traffic and where it appears from department records show that the violation for which the licensee was convicted contributed in causing an accident resulting in the death or personal injury of another, or serious property damage; ~~or~~

(3) is an habitually reckless or negligent driver of a motor vehicle; ~~or~~

(4) is an habitual violator of the traffic laws; ~~or~~

(5) is incompetent to drive a motor vehicle as determined and adjudged in a judicial proceeding; ~~or~~

(6) has permitted an unlawful or fraudulent use of such the license; ~~or~~

(7) has committed an offense in another state which that, if committed in this state, would be grounds for suspension; ~~or~~

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a);

(9) has committed a violation of section 171.22; or

~~(9)~~ (10) has failed to appear in court as provided in section 169.92, subdivision 4; or

~~(10)~~ (11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

~~Provided, However, that any an~~ action taken by the commissioner under ~~clauses~~ clause (2) ~~and~~ or (5) ~~shall must~~ conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Subd. 2. [NOTICE.] Upon suspending ~~the a~~ a driver's license of ~~any person, as hereinbefore in~~ under this section ~~authorized~~, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon, and.~~

Subd. 3. [HEARING.] (a) ~~The licensee's written~~ licensee may request, in writing, a hearing. The department shall afford the requesting licensee an opportunity for a hearing within ~~not to~~

exceed 20 days after receipt of ~~such~~ the request in the county ~~wherein~~ where the licensee resides, unless the department and the licensee agree that ~~such~~ the hearing may be held in some other county.

(b) ~~Upon such~~ For the hearing, the commissioner ~~or duly authorized agent~~ may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers, and may require a reexamination of the licensee.

(c) ~~Upon such~~ Following the hearing, the department shall either rescind its order of suspension or, for good cause ~~appearing therefor~~ shown, may extend the suspension of ~~such~~ the license or revoke ~~such~~ the license.

(d) The department shall not suspend a license for a period of more than one year.

Sec. 16. [STUDY.]

The commissioner of public safety, in consultation with the commissioners of jobs and training and education and other affected parties, shall study the application of school bus requirements to head start vehicles and drivers and shall report on the results of the study to the chairs of the transportation committees of the house and senate by February 1, 1992.

Sec. 17. [REVISOR'S INSTRUCTION.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>124.225, subd. 1</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>
<u>169.01, subd. 75</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>
<u>169.32</u>	<u>169.44</u>	<u>169.441 and 169.442, subd. 1</u>
<u>171.01, subd. 22</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 5, 6, and 10, subdivision 1, are effective August 1, 1991, and apply to violations occurring on or after that date.

Delete the title and insert:

"A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; requiring a study of the application of school bus requirements to head start transportation; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7."

We request adoption of this report and repassage of the bill.

House Conferees: MARY MURPHY, BERNARD L. "BERNIE" LIEDER AND BOB WALTMAN.

Senate Conferees: WILLIAM P. LUTHER, CAROL FLYNN AND GEN OLSON.

Murphy moved that the report of the Conference Committee on H. F. No. 244 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 244, A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Blatz	Carruthers	Dawkins
Anderson, I.	Beard	Bodahl	Clark	Dempsey
Anderson, R.	Begich	Boo	Cooper	Dille
Anderson, R. H.	Bertram	Brown	Dauner	Dorn
Battaglia	Bettermann	Carlson	Dauids	Erhardt

Farrell	Jennings	McEachern	Pellow	Steensma
Frederick	Johnson, A.	McGuire	Pelowski	Sviggum
Frerichs	Johnson, R.	McPherson	Peterson	Swenson
Garcia	Johnson, V.	Milbert	Pugh	Thompson
Girard	Kahn	Morrison	Reding	Tompkins
Goodno	Kalis	Munger	Rest	Trimble
Greenfield	Kelso	Murphy	Rice	Tunheim
Gruenes	Kinkel	Nelson, K.	Rodosovich	Uphus
Gutknecht	Knickerbocker	Nelson, S.	Rukavina	Valento
Hanson	Koppendrayner	Newinski	Runbeck	Vellenga
Hartle	Krinkie	O'Connor	Sarna	Wagenius
Hasskamp	Krueger	Ogren	Schafer	Waltman
Haukoos	Lasley	Olsen, S.	Scheid	Weaver
Hausman	Leppik	Olson, E.	Schreiber	Wejcmann
Heir	Lieder	Olson, K.	Seaberg	Welker
Henry	Limmer	Onnen	Segal	Welle
Hufnagle	Long	Orenstein	Simoneau	Wenzel
Hugoson	Lourey	Orfield	Skoglund	Winter
Jacobs	Lynch	Osthoff	Smith	Spk. Vanasek
Janezich	Macklin	Ostrom	Solberg	
Jaros	Mariani	Ozment	Sparby	
Jefferson	Marsh	Pauly	Stanis	

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

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

The Senate has appointed as such committee:

Messrs. Morse and Price and Ms. Johnson, J. B.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 833, A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

The Senate has appointed as such committee:

Messrs. Pogemiller, Metzen and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 930, A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

The Senate has appointed as such committee:

Messrs. Bernhagen; Moe, R. D., and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 977, A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; authorizing citizens advisory groups; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

The Senate has appointed as such committee:

Messrs. Morse, Price and Mehrkens.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 880.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 880

A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service

charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

May 16, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 880, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 880 be further amended as follows:

Page 2, line 12, reinstate the stricken language and delete the new language

Page 3, line 34, after "charge" insert "in excess of \$4"

Page 4, line 8, after the period, insert "This subdivision no longer applies after the account has been open and in good standing for one year."

Page 4, line 11, delete "RULES" and insert "POWERS"

Page 4, after line 19, insert:

"Sec. 7. [48.513] [FINANCIAL INTERMEDIARY FEES.]

A financial intermediary may charge a fee for the assembly, production, and copying of records requested under chapter 13A, not to exceed the schedule established from time to time by the Federal Reserve System under Regulation S, Code of Federal Regulations, title 12, part 219, except that a fee may not be imposed if the records are requested by a law enforcement agency or prosecuting authority. This section does not apply to requests made under section 609.535. For purposes of this section, "financial intermediary" has the meaning given in section 48.512, subdivision 1."

Page 4, lines 27 and 28, delete "and includes" and insert "but does not include"

Page 4, line 29, delete "no valid" and insert "a good faith"

Page 5, line 6, before "amount" insert "aggregate" and strike "the check" and insert "dishonored checks issued by the issuer to all payees within a six-month period"

Page 5, line 8, before "Before" insert "If the amount of the dishonored check plus any service charges that have been incurred under paragraph (d) or (e) have not been paid within 30 days after having mailed a notice of dishonor in compliance with subdivision 3 but"

Page 5, line 13, before "Before" insert "After notice has been sent but"

Page 5, line 17, delete everything after "if" and insert "provided for under paragraph (a), clause (3)."

Page 5, line 22, delete "\$15" and insert "\$20"

Page 5, after line 35, insert:

"Sec. 10. Minnesota Statutes 1990, section 349.2127, subdivision 7, is amended to read:

Subd. 7. [CHECKS FOR GAMBLING PURCHASES.] An organization may not accept checks in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq."

Page 6, after line 20, insert:

"Sec. 12. Minnesota Statutes 1990, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a ~~reasonable~~ fee for ~~the cost~~ for furnishing this information to law enforcement or prosecuting authorities; ~~not to exceed 15 cents per page.~~

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "prohibiting" and insert "limiting"

Page 1, line 6, delete "requiring" and insert "giving"

Page 1, line 7, delete "to adopt rules" and insert "enforcement powers"

Page 1, line 11, after the semicolon, insert "regulating fees; authorizing checks for gambling under the Indian Gaming Regulatory Act;"

Page 1, line 16, before the second "and" insert "349.2127, subdivision 7;"

Page 1, line 17, after "2a" insert ", 6," and before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 48"

We request adoption of this report and repassage of the bill.

Senate Conferees: ALLAN H. SPEAR, CARL W. KROENING AND PATRICK D. MCGOWAN.

House Conferees: WALLY SPARBY, KRIS HASSKAMP AND DONALD L. FRERICHS.

Sparby moved that the report of the Conference Committee on S. F. No. 880 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Rodosovich to the Chair.

S. F. No. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jacobs	Lourey	Omann
Anderson, R.	Dille	Janezich	Lynch	Orenstein
Anderson, R. H.	Dorn	Jaros	Macklin	Orfield
Battaglia	Erhardt	Jefferson	Mariani	Osthoff
Bauerly	Farrell	Jennings	Marsh	Ostrom
Beard	Frederick	Johnson, A.	McEachern	Ozment
Begich	Frerichs	Johnson, R.	McGuire	Pauly
Bertram	Garcia	Johnson, V.	McPherson	Pelowski
Bettermann	Girard	Kahn	Milbert	Peterson
Blatz	Goodno	Kalis	Morrison	Pugh
Bodahl	Greenfield	Kelso	Munger	Reding
Boo	Gutknecht	Kinkel	Murphy	Rest
Brown	Hanson	Koppendraye	Nelson, K.	Rice
Carlson	Hartle	Krinkie	Nelson, S.	Rodosovich
Carruthers	Hasskamp	Krueger	Newinski	Rukavina
Clark	Hausman	Lasley	O'Connor	Runbeck
Cooper	Heir	Leppik	Ogren	Sarna
Dauner	Henry	Lieder	Olson, E.	Schafer
Davids	Hugoson	Long	Olson, K.	Scheid

Schreiber	Sparby	Tompkins	Wagenius	Wenzel
Seaberg	Stanis	Trimble	Waltman	Winter
Segal	Steensma	Tunheim	Weaver	Spk. Vanasek
Simoneau	Sviggum	Uphus	Wejman	
Skoglund	Swenson	Valento	Welker	
Solberg	Thompson	Vellenga	Welle	

Those who voted in the negative were:

Abrams	Hufnagle	Limmer	Onnen	Smith
Haukoos	Knickerbocker	Olsen, S.	Pellow	

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

Mr. Speaker:

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

S. F. No. 793.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 793

A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

May 16, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 793, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 793 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115A.9155, subdivision 2, is amended to read:

Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) A manufacturer of batteries subject to subdivision 1 shall:

(1) ensure that a system for the proper collection, transportation, and processing of waste batteries exists for purchasers in Minnesota; and

(2) clearly inform each final purchaser of the prohibition on disposal of waste batteries and of the system or systems for proper collection, transportation, and processing of waste batteries available to the purchaser.

(b) To ensure that a system for the proper collection, transportation, and processing of waste batteries exists, a manufacturer shall:

(1) identify collectors, transporters, and processors for the waste batteries and contract or otherwise expressly agree with a person or persons for the proper collection, transportation, and processing of the waste batteries; or

(2) accept waste batteries returned to its manufacturing facility.

(c) At the time of sale of a battery subject to subdivision 1, a manufacturer shall provide in a clear and conspicuous manner a telephone number that the final consumer of the battery can call to obtain information on specific procedures to follow in returning the battery for recycling or proper disposal.

The manufacturer may include the telephone number and notice of return procedures on an invoice or other transaction document held by the purchaser. The manufacturer shall provide the telephone number to the commissioner of the agency.

(d) A manufacturer shall ensure that the cost of proper collection, transportation, and processing of the waste batteries is included in the sales transaction or agreement between the manufacturer and any purchaser.

~~(d)~~ (e) A manufacturer that has complied with this subdivision is not liable under subdivision 1 for improper disposal by a person other than the manufacturer of waste batteries.

Sec. 2. [115A.9157] [RECHARGEABLE BATTERIES AND PRODUCTS.]

Subdivision 1. [DEFINITION.] For the purpose of this section "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead acid battery, or any other rechargeable battery, except a rechargeable battery governed by section 115A.9155 or exempted by the commissioner under subdivision 9.

Subd. 2. [PROHIBITION.] Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.

Subd. 3. [COLLECTION AND MANAGEMENT COSTS.] A manufacturer of rechargeable batteries or products powered by rechargeable batteries is responsible for the costs of collecting and managing its waste rechargeable batteries and waste products to ensure that the batteries are not part of the solid waste stream.

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by nonremovable rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision 3, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and

products collected must be recycled or otherwise managed or disposed of properly.

Subd. 6. [LIST OF PARTICIPANTS.] A manufacturer or its representative organization shall inform the legislative commission on waste management when they begin participating in the projects and programs and immediately if they withdraw participation. The list of participants shall be available to retailers, distributors, governmental agencies, and other interested persons who provide a self-addressed stamped envelope to the commission.

Subd. 7. [CONTRACTS.] A manufacturer or a representative organization of manufacturers may contract with the state or a political subdivision to provide collection services under this section. The manufacturer or organization shall fully reimburse the state or political subdivision for the value of any contractual services rendered under this subdivision.

Subd. 8. [ANTICOMPETITIVE CONDUCT.] A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in projects or programs to collect and properly manage waste rechargeable batteries or products powered by rechargeable batteries are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of batteries and products required under this section.

Subd. 9. [EXEMPTIONS.] To ensure that new types of batteries do not add additional hazardous or toxic materials to the mixed municipal solid waste stream, the commissioner of the agency may exempt a new type of rechargeable battery from the requirements of this section if it poses no unreasonable hazard when placed in and processed or disposed of as part of a mixed municipal solid waste.

Sec. 3. Minnesota Statutes 1990, section 325E.125, subdivision 2, is amended to read:

Subd. 2. [MERCURY CONTENT.] (a) Except as provided in paragraph (c), a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery that contains more than .30 percent mercury by weight, or after February 1, 1992, 0.025 percent mercury by weight.

(b) On application by a manufacturer, the commissioner of the pollution control agency may exempt a specific type of battery from the requirements of paragraph (a) or (d) if there is no battery meeting the requirements that can be reasonably substituted for the battery for which the exemption is sought. The manufacturer of A battery exempted by the commissioner under this paragraph is subject to the requirements of section 115A.9155, subdivision 2.

(c) Notwithstanding paragraph (a), a manufacturer may not sell, distribute, or offer for sale in this state after January 1, 1992, a button cell alkaline manganese nonrechargeable battery not subject to paragraph (a) that contains more than 25 milligrams of mercury.

(d) A manufacturer may not sell, distribute, or offer for sale in this state a dry cell battery containing a mercuric oxide electrode.

(e) After January 1, 1996, a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery, except an alkaline manganese button cell, that contains mercury unless the commissioner of the pollution control agency determines that compliance with this requirement is not technically and commercially feasible.

Sec. 4. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 2a. [APPROVAL OF NEW BATTERIES.] A manufacturer may not sell, distribute, or offer for sale in this state a nonrechargeable battery other than a zinc air, zinc carbon, silver oxide, lithium, or alkaline manganese battery, without first having received approval of the battery from the commissioner of the pollution control agency. The commissioner shall approve only batteries that comply with subdivision 1 and do not pose an undue hazard when disposed of. This subdivision is intended to ensure that new types of batteries do not add additional hazardous or toxic materials to the state's mixed municipal waste stream.

Sec. 5. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 4. [RECHARGEABLE BATTERIES AND PRODUCTS; NOTICE.] (a) A person who sells rechargeable batteries or products powered by rechargeable batteries governed by section 115A.9157 at retail shall post the notice in paragraph (b) in a manner clearly visible to a consumer making purchasing decisions.

(b) The notice must be at least 4 inches by 6 inches and state:

'ATTENTION USERS OF RECHARGEABLE BATTERIES AND CORDLESS PRODUCTS:

Under Minnesota law, manufacturers of rechargeable batteries, rechargeable battery packs, and products powered by nonremovable rechargeable batteries will provide a special collection system for these items by April 15, 1994. It is illegal to put rechargeable batteries in the garbage. Use the special collection system that will be provided in your area. Take care of our environment.

DO NOT PUT RECHARGEABLE BATTERIES OR PRODUCTS POWERED BY NONREMOVABLE RECHARGEABLE BATTERIES IN THE GARBAGE.'

(c) Notice is not required for home solicitation sales, as defined in section 325G.06, or for catalogue sales.

Sec. 6. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

.. Subd. 5. [PROHIBITIONS.] A manufacturer of rechargeable batteries or products powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157 may not sell, distribute, or offer for sale in this state rechargeable batteries or products powered by rechargeable batteries after January 1, 1992.

After January 1, 1992, a person who first purchases rechargeable batteries or products powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or products powered by rechargeable batteries made by any person other than a manufacturer that participates in the projects and programs required under section 115A.9157.

Sec. 7. Minnesota Statutes 1990, section 325E.1251, is amended to read:

325E.1251 [PENALTY ENFORCEMENT.]

Subdivision 1. [PENALTY.] Violation of sections 115A.9155 and 325E.125 is a misdemeanor. A manufacturer who violates section 115A.9155 or 325E.125 is also subject to a minimum fine of \$100 per violation.

Subd. 2. [RECOVERY OF COSTS.] In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

Sec. 8. [EFFECTIVE DATES.]

(a) Section 3, paragraphs (a), (b), and (d), are effective February 1, 1992, and apply to batteries manufactured on or after that date.

(b) For zinc air batteries that exceed 100 milligrams in weight, section 3, paragraph (c), is effective February 1, 1993, and applies to batteries manufactured on or after that date.

(c) For all other batteries, section 3, paragraph (c), is effective August 1, 1991, and applies to batteries manufactured on or after that date. Section 3, paragraph (e), applies to batteries manufactured on or after January 1, 1996."

Delete the title and insert:

"A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; prohibiting the disposal of rechargeable batteries in mixed municipal solid waste; requiring a notice to consumers; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding subdivisions; and 325E.1251; proposing coding for new law in Minnesota Statutes, chapter 115A."

We request adoption of this report and repassage of the bill.

Senate Conferees: GREGORY L. DAHL, GENE MERRIAM AND GARY W. LAIDIG.

House Conferees: JEAN WAGENIUS, BOB JOHNSON AND SIDNEY PAULY.

Wagenius moved that the report of the Conference Committee on S. F. No. 793 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 793, A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

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

The question was taken on the repassage 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	Bettermann	Dauner	Frerichs	Hasskamp
Anderson, I.	Blatz	Davids	Garcia	Haukoos
Anderson, R.	Bodahl	Dawkins	Girard	Hausman
Anderson, R. H.	Boo	Dempsey	Goodno	Heir
Battaglia	Brown	Dille	Greenfield	Henry
Bauerly	Carlson	Dorn	Gruenes	Hufnagle
Beard	Carruthers	Erhardt	Gutknecht	Hugoson
Begich	Clark	Farrell	Hanson	Janezich
Bertram	Cooper	Frederick	Hartle	Jaros

Jefferson	Lourey	Olson, E.	Rukavina	Tompkins
Jennings	Lynch	Olson, K.	Runbeck	Trimble
Johnson, A.	Macklin	Omann	Sarna	Tunheim
Johnson, R.	Mariani	Onnen	Schafer	Uphus
Johnson, V.	Marsh	Orenstein	Scheid	Valento
Kahn	McEachern	Orfield	Schreiber	Vellenga
Kalis	McGuire	Osthoff	Seaberg	Wagenius
Kelso	McPherson	Ostrom	Segal	Weaver
Kinkel	Milbert	Ozment	Simoneau	Wejcman
Knickerbocker	Morrison	Pauly	Skoglund	Welker
Koppendrayner	Munger	Pellow	Smith	Welle
Krinkie	Murphy	Pelowski	Solberg	Wenzel
Krueger	Nelson, K.	Peterson	Sparby	Winter
Lasley	Nelson, S.	Pugh	Stanisus	Spk. Vanasek
Leppik	Newinski	Reding	Steenasma	
Lieder	O'Connor	Rest	Sviggum	
Limmer	Ogren	Rice	Swenson	
Long	Olsen, S.	Rodosovich	Thompson	

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

Mr. Speaker:

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

S. F. No. 526.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 526

A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

May 18, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 526, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 526, be further amended as follows:

Page 3, lines 17 to 20, delete the new language

Page 3, line 20, after the period insert "In awarding contracts for intensive supervision programs in community corrections act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state employees as intensive supervision agents. The commissioner may award contracts to other providers in community corrections act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the judiciary committees in the senate and house of representatives."

Page 7, after line 7, insert:

"Sec. 6. Minnesota Statutes 1990, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) the chief justice of the supreme court or a designee;
- (2) one judge of the court of appeals, appointed by the chief justice of the supreme court;
- (3) one district court judge appointed by the chief justice of the supreme court;
- (4) one public defender appointed by the governor upon recommendation of the state public defender;
- (5) one county attorney appointed by the governor upon recommendation of the board of ~~governors~~ directors of the Minnesota county attorneys council association;
- (6) the commissioner of corrections or a designee;
- (7) one peace officer as defined in section 626.84 appointed by the governor;
- (8) one probation officer or parole officer appointed by the governor; and
- (9) three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission."

Page 7, line 8, delete "6" and insert "7"

Page 7, line 9, delete "5" and insert "6"

Amend the title as follows:

Page 1, line 3, after "program;" insert "providing for the composition of the sentencing guidelines commission;"

Page 1, line 5, after "6;" insert "244.09, subdivision 2;"

We request adoption of this report and repassage of the bill.

Senate Conferees: ALLAN H. SPEAR, JANE B. RANUM AND THOMAS M. NEUVILLE.

House Conferees: MARY JO MCGUIRE, LEE GREENFIELD AND ART SEABERG.

McGuire moved that the report of the Conference Committee on S. F. No. 526 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Boo	Clark
Anderson, I.	Bauerly	Bettermann	Brown	Cooper
Anderson, R.	Beard	Blatz	Carlson	Dauner
Anderson, R. H.	Begich	Bodahl	Carruthers	Davids

Dawkins	Jacobs	Macklin	Ostrom	Sparby
Dempsey	Janezich	Mariani	Ozment	Stanisus
Dille	Jaros	Marsh	Pauly	Steensma
Dorn	Jefferson	McEachern	Pellow	Sviggum
Erhardt	Jennings	McGuire	Pelowski	Swenson
Farrell	Johnson, A.	McPherson	Peterson	Thompson
Frederick	Johnson, R.	Milbert	Pugh	Tompkins
Frerichs	Johnson, V.	Morrison	Reding	Trimble
Garcia	Kahn	Munger	Rest	Tunheim
Girard	Kalis	Murphy	Rice	Uphus
Goodno	Kelso	Nelson, K.	Rodosovich	Valento
Greenfield	Kinkel	Nelson, S.	Rukavina	Vellenga
Gruenes	Knickerbocker	Newinski	Runbeck	Wagenius
Gutknecht	Koppendrayser	O'Connor	Sarna	Waltman
Hanson	Krinkie	Ogren	Schafer	Weaver
Hartle	Krueger	Olsen, S.	Scheid	Wejzman
Hasskamp	Lasley	Olson, E.	Schreiber	Welker
Haukoos	Leppik	Olson, K.	Seaberg	Welle
Hausman	Lieder	Omann	Segal	Wenzel
Heir	Limmer	Onnen	Simoneau	Winter
Henry	Long	Orenstein	Skoglund	Spk. Vanasek
Hufnagle	Lourey	Orfield	Smith	
Hugoson	Lynch	Osthoff	Solberg	

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

SPECIAL ORDERS

S. F. No. 919, A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1990, sections 3.846, subdivisions 1 and 4; 14.03, subdivision 3; 14.29, subdivision 2, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 86B.211; 97A.045, subdivision 2; 97A.051, subdivisions 1, 2, and 4; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; and 97C.805, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bettermann

Blatz	Hartle	Leppik	Onnen	Smith
Bodahl	Hasskamp	Lieder	Orenstein	Solberg
Boo	Haukoos	Limmer	Orfield	Sparby
Brown	Hausman	Long	Osthoff	Stanisus
Carlson	Heir	Lourey	Ostrom	Steensma
Carruthers	Henry	Lynch	Ozment	Sviggum
Clark	Hufnagle	Macklin	Pauly	Swenson
Cooper	Hugoson	Mariani	Pellow	Thompson
Dauner	Jacobs	Marsh	Pelowski	Tompkins
Davids	Janezich	McEachern	Peterson	Trimble
Dawkins	Jaros	McGuire	Pugh	Tunheim
Dempsey	Jefferson	McPherson	Reding	Uphus
Dille	Jennings	Milbert	Rest	Valento
Dorn	Johnson, A.	Morrison	Rice	Vellenga
Erhardt	Johnson, R.	Munger	Rodosovich	Wagenius
Farrell	Johnson, V.	Murphy	Rukavina	Waltman
Frederick	Kahn	Nelson, K.	Runbeck	Weaver
Frerichs	Kalis	Nelson, S.	Sarna	Wejckman
Garcia	Kelso	Newinski	Schafer	Welker
Girard	Kinkel	O'Connor	Scheid	Welle
Goodno	Knickerbocker	Ogren	Schreiber	Wenzel
Greenfield	Koppendrayner	Olsen, S.	Seaberg	Winter
Gruenes	Krinkie	Olson, E.	Segal	Spk. Vanasek
Gutknecht	Krueger	Olson, K.	Simoneau	
Hanson	Lasley	Omann	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1693 was reported to the House.

Macklin moved that H. F. No. 1693 be continued on Special Orders. The motion prevailed.

S. F. No. 720 was reported to the House.

Clark moved that S. F. No. 720 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 432, A bill for an act relating to employment; regulating certain construction bids; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

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 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown	Cooper
Anderson, I.	Bauerly	Blatz	Carlson	Dauner
Anderson, R.	Beard	Bodahl	Carruthers	Dawkins
Anderson, R. H.	Begich	Boo	Clark	Dempsey

Dille	Jefferson	McEachern	Pauly	Sparby
Dorn	Jennings	McGuire	Pellow	Stanius
Farrell	Johnson, A.	McPherson	Pelowski	Steensma
Frederick	Johnson, R.	Milbert	Peterson	Swenson
Garcia	Johnson, V.	Morrison	Pugh	Thompson
Girard	Kahn	Munger	Reding	Trimble
Goodno	Kalis	Murphy	Rest	Tunheim
Greenfield	Kelso	Nelson, K.	Rice	Uphus
Gruenes	Kinkel	Nelson, S.	Rodosovich	Valento
Gutknecht	Knickerbocker	Newinski	Rukavina	Vellenga
Hanson	Koppendrayner	O'Connor	Runbeck	Wagenius
Hartle	Krueger	Ogren	Sarna	Weaver
Hasskamp	Lasley	Olsen, S.	Schafer	Wejzman
Haukoos	Leppik	Olson, E.	Scheid	Welle
Heir	Lieder	Olson, K.	Schreiber	Wenzel
Henry	Long	Omann	Seaberg	Winter
Hufnagle	Lourey	Orenstein	Segal	Spk. Vanasek
Hugoson	Lynch	Orfield	Simoneau	
Jacobs	Macklin	Osthoff	Skoglund	
Janezich	Mariani	Ostrom	Smith	
Jaros	Marsh	Ozment	Solberg	

Those who voted in the negative were:

Bettermann	Frerichs	Onnen	Waltman
Davids	Krinkie	Sviggun	Welker
Erhardt	Limmer	Tompkins	

The bill was passed and its title agreed to.

Nelson, K., was excused for the remainder of today's session.

S. F. No. 720 which was temporarily laid over earlier today was again reported to the House.

Clark moved to amend S. F. No. 720, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted

to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

**504.02 [CANCELLATION OF LEASES IN CERTAIN CASES;
ABANDONMENT OR SURRENDER OF POSSESSION.]**

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may

be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fee required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor

having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order

and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 4. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address

or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 6. [504.246] [TORT LIABILITY.]

A landlord is liable for damages for personal injury caused to a tenant, or others on the premises with the consent of the tenant, or a subtenant by a condition existing before or after the tenant took possession of the premises, which is a breach of an express covenant to repair or maintain the leased premises or is a breach of the covenants specified in section 504.18, subdivision 1, if:

(1) the condition created an unreasonable risk on the premises which performance of the landlord's covenants would have prevented;

(2) the landlord knew of the condition; and

(3) the landlord failed to perform the covenants.

The provisions of this section do not limit any rights or remedies a tenant otherwise has under another statute or in contract or tort at common law.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

ARTICLE 2
UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, foreclosure expiration of the time for redemption, or termination is a tenant, the person has received:

(i) at least one month's written notice of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure expiration of the time for redemption, or termination; or when

(ii) at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or when

(3) any tenant at will holds over after the determination of any such the estate by notice to quit; in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Sec. 3. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of This section shall apply only~~ applies to:

(1) ~~tenants as that term is defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;~~

(2) ~~buildings as that term is defined in section 566.18, subdivision 7; and~~

(3) ~~landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.~~

Sec. 4. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the occupied units.

Sec. 5. Minnesota Statutes 1990, section 566.19, subdivision 2, is amended to read:

Subd. 2. After an inspection of a building has been made upon demand by a tenant or neighborhood organization with the written permission of a tenant, the owner or the owner's agent and the complaining tenant or neighborhood organization shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations. If any code violations are discovered in the common areas

of the building and the owner fails to correct them within the time allowed, the inspector shall, in addition, provide written notice of such violations to all tenants in the building. Any such notice provided by the inspector shall state that if the violations are not corrected any tenant, neighborhood organization with the written permission of a tenant, or if the building is unoccupied, a neighborhood organization, may commence an action under sections 566.18 to 566.33 to correct the violations and shall also state the relief available under section 566.25.

Sec. 6. Minnesota Statutes 1990, section 566.205, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] A person authorized to bring an action under section 566.20 may petition the court for relief in cases of condemnation of the building or dwelling or service of a notice of intent to condemn the building or dwelling, or emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the owner is responsible for providing.

Sec. 7. Minnesota Statutes 1990, section 566.205, subdivision 3, is amended to read:

Subd. 3. [PETITION INFORMATION.] The petitioner shall present a verified petition to the district court that states the following:

(1) a description of the premises and the identity of the owner;

(2) a statement of the facts and grounds that demonstrate the existence of condemnation of the building or dwelling or service of notice of intent to condemn the building or dwelling, or an emergency caused by the loss of essential services or facilities; and

(3) a request for relief.

Sec. 8. Minnesota Statutes 1990, section 566.205, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The petitioner shall attempt to notify the owner, at least 24 hours before application to the court, of the petitioner's intent to seek emergency relief. The petitioner shall attempt to give the same notice to the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f). An order may be granted without notice to the owner or applicable unit of government on finding that reasonable efforts, as set forth in the petition or by separate affidavit, were made to notify the owner but that the efforts were unsuccessful.

Sec. 9. Minnesota Statutes 1990, section 566.21, subdivision 2, is amended to read:

Subd. 2. The summons and complaint shall be served upon the owner or the owner's agent, and upon the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f), at least five and not more than ten days before the time at which the complaint is to be heard. Service shall be by personal service upon the defendant pursuant to the Minnesota rules of civil procedure except that if such service cannot be made with due diligence, service may be made by affixing a copy of the summons and complaint prominently to the building involved, and mailing at the same time a copy of the summons and complaint by certified mail to the last known address of the defendant.

Sec. 10. Minnesota Statutes 1990, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

(i) on and from the day of entry of judgment, in the case of petitioning tenants or neighborhood organizations, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated;

(e) After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; ~~and~~

(f) Order the applicable unit of government to stay condemnation of the building or dwelling if other relief ordered by the court will correct the violations giving rise to the condemnation or notice of intent to condemn within a reasonable time considering the nature and extent of the violations; or

(g) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed \$500, in the case of a prevailing tenant or neighborhood organization. The \$500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 11. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or neighborhood organization shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 12. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the

property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ premises to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the federal or state governing body or the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from the ~~municipal sources~~ this source. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 13. Minnesota Statutes 1990, section 566.34, subdivision 2, is amended to read:

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, clause (b) or (c),

the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.

(c) The tenant need not deposit rent if none is due to the owner at the time the tenant otherwise files the notice required by this subdivision. All rent which thereafter becomes due to the owner prior to the hearing under this section must be deposited with the court administrator. As long as proceedings are pending under this section, the tenant must pay rent to the owner or as directed by the court and may not withhold rent to remedy a violation.

Sec. 14. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

Sec. 15. [FEE STUDY.]

The state court administrator shall study and report to the legislature by February 1, 1993, on the fiscal and caseload impact of court fee and fee refund alternatives designed to facilitate the retention of affordable housing by low-income clients while protecting the rights of landlords. In conducting this study, the state court administrator shall consult with representatives of courts, landlords, and tenants who might be affected by any proposed change in collection or fee refunds.

ARTICLE 3

STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 116C.04, is amended by adding a subdivision to read:

Subd. 11. The environmental quality board shall coordinate the implementation of an interagency compliance with existing state and federal lead regulations and report to the legislature by January 31, 1992, on the changes in programming needed to comply.

Sec. 2. [116K.15] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the committee established in section 4.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the state planning agency.

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a nonprofit organization run by or for the homeless that has representation by homeless or formerly homeless persons on its governing board and can demonstrate an ability to design a program to provide homeownership opportunities for homeless persons with education and training services for homeless adults.

Subd. 5. [HOMELESS INDIVIDUAL; HOMELESS PERSON.] "Homeless individual" or "homeless person" is defined in the Stewart B. McKinney Homeless Assistance Act of 1987, and means:

- (1) residents of overnight shelters;
- (2) residents of battered women shelters and safe homes;
- (3) persons who are inappropriately doubled up;
- (4) migrant or seasonal farm workers;
- (5) persons residing in transitional housing;
- (6) persons residing in detoxification centers who do not have permanent addresses; and
- (7) persons residing outside, in cars, or in abandoned buildings.

The term homeless individual does not include any individual imprisoned or otherwise detained under federal or state law.

Subd. 6. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 50 percent of the median income for the seven-county metropolitan area.

Sec. 3. [116K.16] [PLANNING AND DEMONSTRATION GRANTS.]

The commissioner shall make planning and demonstration grants to eligible organizations for programs to provide homeownership

opportunities, education and training, or services to homeless adults. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. To the extent possible, the program should coordinate the use of resources from existing housing and homeless programs. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant.

Sec. 4. [116K.17] [ADVISORY COMMITTEE.]

The commissioner may establish an 11-member advisory committee under section 15.059 to assist the commissioner in selecting eligible organizations to receive planning grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of human services and jobs and training; a representative of the chancellor of vocational education; a representative of the commissioner of the housing finance agency; and seven public members appointed by the governor. Each of the following groups must be represented by a public member: labor organizations, local housing developers, representatives from homeless organizations, and homeless or formerly homeless persons. At least three of the public members must be from outside of the seven-county metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 5. [116K.18] [PROGRAM; PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 3 are for the design of a program to coordinate existing housing resources and programs to provide homeownership opportunities for homeless adults and families, promote individual stability and responsibility of homeless adults through training for jobs that pay a living wage, job placement, life skills development, and access to community support services including, but not limited to, health services, counseling, and drug rehabilitation. Each program must include a work experience and training component, job skills component, and life skills component.

Subd. 2. [WORK EXPERIENCE AND TRAINING COMPONENT.] A work experience and training component must provide

vocational skill training in an industry where there are potential opportunities for jobs that pay a living wage. A monetary compensation may be provided to program participants. The compensation must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low-income individuals and families. Work must be done under the direct supervision of certified or licensed individuals skilled in each specific trade or vocation. Craft work must be done under the supervision of persons who have completed a state approved registered apprenticeship in the craft work being supervised. The program design must identify areas of need for trained workers to perform tasks such as lead abatement, and work with appropriate agencies and certified or licensed workers to develop training methods. The program design must include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other educational programs.

Subd. 3. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 4. [LIFE SKILLS COMPONENT.] A life skills component must be included in each program design. The component must include mentoring to develop homeownership skills, and offer or coordinate participation in parenting and citizenship classes and leadership development to encourage community involvement and responsibility.

Sec. 6. [116K.19] [HOUSING FOR HOMELESS.]

Subdivision 1. [REQUIREMENT.] The work experience component in section 5 must include work projects that provide residential units through construction or rehabilitation for the homeless and families of very low income.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

- (1) homeless families with at least one dependent;
- (2) homeless persons who have worked on the rehabilitation;
- (3) other homeless individuals;

(4) other very low-income families and individuals; and

(5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of possible sources of property and funding through federal, state, or local agencies, including the federal Department of Housing and Urban Development and Farmers Home Administration, the housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 7. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An organization that is awarded a planning grant under section 3 shall prepare and submit a report to the commissioner by January 15, 1992. The report must address each of the following:

(1) the method for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the type and degree of work experience that program participants must participate in, including real work experience in both vocational and nonvocational settings;

(3) the amount of monetary compensation that each participant should receive while participating in the work experience component. The monetary compensation must reflect the prevailing rate of wages unless a participant's receipt of public assistance is affected. Any contracted or subcontracted work must be subject to the prevailing wage rate under section 177.42. Prevailing wage for the construction crafts is the amount registered with the Minnesota department of labor. Nonconstruction jobs will be paid at the local market standard for each job type. Compensation should be structured to include incentives for progress toward increasing job skills and continued training;

(4) the identification and means of providing the necessary job readiness skills so that program participants who have completed the work experience and educational components of the program may have the ability to compete in the employment market;

(5) the methods that may be used to assist in placing program participants in suitable employment;

(6) a plan for evaluating the program, including the necessary data elements that must be collected from program participants;

(7) the identification of existing public and private programs that may be coordinated by the program to avoid duplication of services;

(8) the identification of regional characteristics that may affect the operation of the program in the specified region where the organization is located;

(9) cost estimates for each of the components of the program; and

(10) the identification of funding sources other than state appropriations that may be used to support the program.

Sec. 8. [REPORT.]

The commissioner shall prepare and submit a report to the legislature and the governor by February 15, 1992, that outlines the various program designs submitted by the organizations that received planning grants. The report must also include recommendations on which components of the program design are most suitable to meeting the needs of homeless adults for homeownership opportunities. The advisory committee must participate in the preparation of this report and in the formulation of the recommendations.

Sec. 9. Minnesota Statutes 1990, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal or encapsulation of paint, bare soil, dust, drinking water, or other materials that are ~~sources~~ readily accessible and pose an immediate threat of actual lead exposure to people. The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.

Sec. 10. Minnesota Statutes 1990, section 144.871, subdivision 7, is amended to read:

Subd. 7. [ENCAPSULATION.] "Encapsulation" means covering, sealing, painting, resurfacing to make smooth before repainting, or containment of a source of lead exposure to people.

Sec. 11. [144.8721] [LEAD-RELATED CONTRACTS FOR FISCAL YEARS 1992 AND 1993.]

For fiscal years 1992 and 1993, the commissioner shall conduct, or contract with boards of health to conduct, assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood levels exceed ten micrograms per deciliter. For fiscal years 1992 and 1993, the commissioner shall also provide, or contract with boards of health to provide, education on ways of reducing the danger of lead contamination.

Sec. 12. Minnesota Statutes 1990, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner confirmed blood lead results of at least five micrograms per deciliter. Boards of health must report to the commissioner the results of analyses from residential samples of paint, bare soil, dust, and drinking water that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878, ~~subdivision 2, paragraphs (a) and (c).~~ The commissioner shall require other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 13. Minnesota Statutes 1990, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having an elevated blood lead level. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878, ~~subdivision 1.~~

Sec. 14. Minnesota Statutes 1990, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead

assessment guide that enables parents to assess the possible lead sources present and that suggests actions.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 15. Minnesota Statutes 1990, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878, ~~subdivision 2, paragraph (a)~~, at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.

Sec. 16. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY OF COMMISSIONER.] The commissioner may carry out the duties assigned to boards of health in subdivisions 1 to 6 of this section.

Sec. 17. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue primary prevention of lead poisoning within the limits of appropriations.

Sec. 18. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 10. [REGISTERED CONTRACTORS.] State subsidized lead abatement shall be conducted by registered lead abatement contractors.

Sec. 19. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 11. [VOLUNTARY ABATEMENT.] The commissioner shall enforce the rules under section 144.878 in cases of voluntary lead abatement.

Sec. 20. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]

Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. "Eligible project participants" are individuals ineligible for emergency assistance or general assistance for housing whose income does not exceed 80 percent of the area median income at the time of application to the project. No individual or family may receive more than six months of rental or mortgage assistance or \$2,000, whichever is less. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, unanticipated unemployment, underemployment, or any other failure of resources beyond the person's control.

Subd. 2. [LOCAL RESPONSIBILITIES.] The commissioner of jobs and training must disburse funds to local agencies responsible for the distribution of emergency assistance. The local agencies may distribute funds to landlords and mortgage holders of eligible project participants and may determine the amount of assistance on a case-by-case basis. Local agencies must provide program participants with case management services, referral services relating to housing, and other resources and programs that may be available to them.

Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. To qualify for assistance, a homeowner must be at least two months delinquent on home mortgage payments. The local distributing agency must determine

repayment schedules on a case-by-case basis. If the homeowner sells the house within five years of receiving assistance, net proceeds from the sale must be applied to the mortgage assistance loan. The commissioner of jobs and training must inform mortgagees of the mortgage assistance project.

Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.

Subd. 5. [SECURITY DEPOSIT ASSISTANCE.] Project money may be used for security deposits on rental housing. Persons may be required to repay security deposit assistance based on their financial ability to pay, as determined by the local distributing agency.

Sec. 21. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by low- and moderate-income persons. Hazardous levels are as determined by the department of health or the pollution control agency. The agency must establish grant criteria for a residential lead paint and lead contaminated soil abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, registered lead abatement contractors, and nonprofit organizations for the purpose of administering a residential lead paint and contaminated lead soil abatement program. No loan or grant may be made for lead paint abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential

lead abatement and report to the legislature with examples, case studies and recommendations.

Sec. 22. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 16. [RESIDENTIAL LEAD PAINT AND LEAD CONTAMINATED SOIL ABATEMENT.] It may make loans or grants for the purpose of the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil under section 462A.05, subdivision 15c, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 23. Minnesota Statutes 1990, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; ~~or~~ (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure; or (iv) demolition, acquisition, or conversion of owner-occupied housing by cities of the first class as defined in section 410.01.

Sec. 24. Minnesota Statutes 1990, section 504.33, subdivision 5, is amended to read:

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to ~~30 percent of 50 percent of the median income for the county~~ the fair market rent level as defined by the Department of Housing and Urban Development in which the rental housing is located, adjusted by size; or owner-occupied housing with an estimated market value less than one-half of the median estimated market value for owner-occupied housing for the county or metropolitan statistical area in which the owner-occupied housing is located. "Low-income housing" also includes rental housing buildings as defined by section 566.18, subdivision 7, that have been vacant for less than two years, that contain rental or owner-occupied housing that was low-income housing when it was last occupied, and that have not been condemned as being unfit for human habitation by the applicable government unit.

Sec. 25. Minnesota Statutes 1990, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means ~~rental~~ housing that is:

(1) ~~the lesser of (i) the is sufficient in number and corresponding size of to house no fewer than the number of occupants who could have been housed in the displaced low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units;~~

(2) is low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) in the case of owner-occupied housing, affordable to persons whose income is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the replacement owner-occupied housing is located;

(4) is in at least standard condition; and

~~(4)~~ (5) is located in the neighborhood of the city where the displaced low-income housing units were located to the extent possible, except where the land is zoned industrial or there is insufficient vacant or underutilized land for development or no vacant buildings as defined by section 566.18, subdivision 7, for redevelopment in the neighborhood;

(6) has a preference for persons who occupied low-income housing that was displaced, who have resided in the neighborhood of the city where the displaced low-income housing was located, or who qualify for a preference under United States Code, title 42, section 1437(c)(4)(A); and

(7) in a city of the first class outside the metropolitan area as defined by section 473.121, subdivision 2, replacement housing can be used to achieve economic integration as described in the city plan.

Replacement housing may be provided as newly constructed housing, or rehabilitated or rent subsidized existing housing that does not already qualify as low-income housing. Low-income housing designated as replacement housing for low-income housing displaced in one year cannot be designated as replacement housing for low-income housing displaced in another year.

Sec. 26. Minnesota Statutes 1990, section 504.34, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of the cities and neighborhoods where occupants of displaced low-income housing moved immediately following displacement;

(3) identification of each unit of replacement housing provided in the previous year in the city, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

~~(3)~~ (4) identification of the cities and neighborhoods where occupants of replacement housing resided immediately before moving into replacement housing;

(5) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city;

(4) (6) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit;

(5) (7) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit; and

(6) (8) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Sec. 27. Minnesota Statutes 1990, section 504.34, subdivision 5, is amended to read:

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government

unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and the date, time, and location of the public hearing on the draft annual housing impact report, to be held within 15 to 30 days following the date of notice. Copies of the notice, a summary of the findings of the report, and the list of persons and organizations receiving the notice and draft report must be sent to the neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to, the state planning agency, and the Minnesota housing finance agency.

Sec. 28. Minnesota Statutes 1990, section 504.34, subdivision 6, is amended to read:

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The final annual housing impact report must include all written comments and a summary of oral comments on the draft housing impact report and a response to the comments. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city. Copies of the notice and a summary of the findings of the final annual housing impact report must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to, the state planning agency, and the Minnesota housing finance agency.

ARTICLE 4

YOUTH EMPLOYMENT

Section 1. Minnesota Statutes 1990, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed \$50,000 per year. In awarding grants, the commissioner must give priority to (1) organizations that are operating or have operated successfully a program; and (2) to distributing programs throughout the state. To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money.

Sec. 2. Minnesota Statutes 1990, section 268.364, subdivision 4, is amended to read:

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component ~~must be included in~~ comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.

Sec. 3. Minnesota Statutes 1990, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the program must be allocated in the following order:

(1) homeless individuals who have participated in constructing, rehabilitating, or improving the unit;

(2) homeless families with at least one dependent;

~~(2)~~ (3) other homeless individuals;

~~(3)~~ (4) other very low income families and individuals; and

(4) ~~(5)~~ families or individuals that receive public assistance and that do not qualify in any other priority group.

ARTICLE 5

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be or fails to transfer or return a deposit as required under subdivision 5, is liable to the tenant or the successor in interest for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time 60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the~~ a deposit, the

interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of the a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units; and

(3) Is not a lien upon property which was entirely homesteaded as, residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property. The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in section 576.01, subdivision 2; or

(b) If no provision is made for the appointment of a receiver in the assignment or if by the terms of the assignment a receiver may be appointed, the assignment shall be binding upon the assignor unless or until a receiver is appointed without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the

registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units and was not a lien upon property which was entirely homesteaded, residential real estate containing four or less dwelling units where at least one unit is homesteaded, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

(1) Application of tenant security deposits as required by section 504.20;

(2) Payment when due of prior or current real estate taxes or

special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;

(3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;

(4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

ARTICLE 6

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid \$35 up to \$55 for attending each regular and special meeting of the authority. ~~The aggregate of all payments to each commissioner for any one year shall not exceed \$2,500.~~ Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are elected officials or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.

Sec. 2. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an

urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political

subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or

securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; and

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum

amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 3. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~\$15,000~~ \$25,000.

Sec. 4. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034;

(ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority

only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond ~~in the case of~~ for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 5. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check, letter of credit, or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than \$25,000. The check or letter of credit must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check or letter of credit to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check or proceeds from the letter of credit pursuant to the order of the court.

ARTICLE 7

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [116J.986] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.

Subd. 2. [INCUBATOR.] "Incubator" means a facility in which units of space may be leased by a tenant and in which the management maintains or provides access to business development services for use by tenants.

Subd. 3. [SPONSOR.] "Sponsor" means a nonprofit corporation organized under chapter 317A that complies with section 2 and qualifies for tax-exempt status under United States Code, title 26, section 501(c), which enters into a written agreement with the department to establish, operate, and administer an incubator or to provide funding to an organization which operates an incubator.

Subd. 4. [TENANT.] "Tenant" means a sole proprietorship, business partnership, or corporation operating a small business as defined by section 645.445 and leasing or otherwise occupying space in an incubator.

Sec. 2. [116J.987] [SMALL BUSINESS INCUBATOR PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner shall develop and establish a small business incubator program. The purpose of the program is to make loans and grants for the establishment, operation, and administration of small business incubators.

Subd. 2. [APPLICATIONS.] Sponsors may apply to the commissioner for loans or grants awarded under subdivision 1 to establish, operate, or administer an incubator. Each application must:

(1) demonstrate that a facility exists that operates as an incubator or can be transformed into an incubator at a specified cost;

(2) demonstrate the ability to provide or arrange for the provision of business development services for tenants of the incubator;

(3) demonstrate a potential for sustained use of the incubator by eligible tenants;

(4) demonstrate the ability to manage and operate the incubator;

(5) demonstrate a financial commitment of at least 50 percent of the projected costs; and

(6) include any other information the commissioner determines necessary to award the grants or loans.

Subd. 3. [ELIGIBLE USE OF FUNDS.] (a) Loans and grants awarded under subdivision 1 shall be used only for the following purposes:

- (1) the purchase or leasing of existing buildings;
 - (2) the rehabilitation of buildings or other facilities;
 - (3) the construction of new facilities;
 - (4) the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator;
 - (5) paying administrative costs including the salary of the incubator manager; and
 - (6) establishing an incubator revolving loan fund to make loans to tenants with terms and conditions as the department determines.
- (b) Loans and grants may not exceed 50 percent of total eligible project costs.

Subd. 4. [LOAN REPAYMENT.] In making loans under subdivision 1, the department must:

- (1) determine the circumstances, terms, and conditions under which all or any portion of the loan will be repaid; and
- (2) establish appropriate security for the loan repayment.

Subd. 5. [RESPONSIBILITIES OF SPONSORS.] Sponsors receiving assistance under subdivision 1 have the following responsibilities for establishing and operating incubators:

- (1) to secure title to or a lease of the facility;
- (2) to manage the physical development of the incubator facility;
- (3) to provide common conference or meeting space in the incubator that can be used by tenants and community groups;
- (4) to furnish and equip the facility to provide business services to the tenants;
- (5) to market and promote the facility to secure eligible tenants and increase community awareness of the incubator and its tenants;
- (6) to arrange for or provide financial consulting, marketing, and management assistance services for tenants;
- (7) to set rental and service fees;
- (8) to encourage cooperation among tenants;

(9) to establish policies and criteria to determine tenant eligibility and termination of occupancy; and

(10) to maintain an environment that supports business growth.

Subd. 6. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received under subdivision 1. The criteria are not subject to chapter 14 and may include the following:

(1) the ability of the sponsor to carry out the provisions of this section;

(2) the economic impact of the incubator on the community;

(3) the incubator's conformance with regional, city, or local economic development plans, if any exist;

(4) the support of the community; and

(5) the location of the incubator, in order to encourage geographic distribution of incubators across the state.

Subd. 7. [REPORTS.] Organizations receiving funds under subdivision 1 must submit an annual report to the department. Annual reports must include, but need not be limited to, a financial statement for the incubator, a list of tenants, and evidence that all tenants are eligible under this section. The commissioner must report to the legislature by January 15, 1992, with a summary of the incubator reports and recommendations for the program.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding \$450,000 \$2,000,000 outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ECONOMIC DEVELOPMENT ACTIVITY.]

In addition to and supplemental to any other provisions of general or special laws or charter, the city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a

citywide economic development program, and in connection therewith may:

(1) provide working capital financing for any for-profit or non-profit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;

(3) apply funds of the city or housing and redevelopment authority within or without the boundaries of any presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with sections 469.174 to 469.179;

(4) exercise any or all of the powers of an economic development authority under sections 469.090 to 469.108, and the powers granted to a city by sections 469.090 to 469.108 or sections 469.048 to 469.068, or other law, provided that (i) only the city shall have the power under section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority of the city of St. Paul, and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and

(5) apply funds as permitted by clauses (1) to (4) to financing for any public or private parking facility, child care facility, or a project as defined by section 469.153, subdivision 2.

Nothing in this section shall be construed to authorize the city or housing and redevelopment authority to apply or expend funds derived from bonds or other obligations contrary to the terms of any resolution, indenture of trust, revenue agreement, or similar instrument entered into by the city or housing and redevelopment authority in connection with the bonds or obligations.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8
NEIGHBORHOOD LAND TRUSTS

Section 1. [462A.30] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 8.

Subd. 2. [AGENCY.] “Agency” means the Minnesota housing finance agency.

Subd. 3. [FIRST OPTION TO PURCHASE.] “First option to purchase” means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sublessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.

Subd. 4. [GROUND LEASE.] “Ground lease” means a lease of real property in which the lease does not include buildings or other improvements.

Subd. 5. [LEASEHOLD INTEREST.] “Leasehold interest” means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.

Subd. 6. [LIMITED EQUITY FORMULA.] “Limited equity formula” means a method, to be determined by rule adopted by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Subd. 7. [LIMITED EQUITY PRICE.] “Limited equity price” means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.

Subd. 8. [NEIGHBORHOOD LAND TRUST.] “Neighborhood land trust” means a nonprofit corporation organized under chapter 317A that complies with section 2 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and meets all other criteria for neighborhood land trust set by the agency.

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] “Persons and families of low and moderate income” has the meaning specified in section 462A.03, subdivision 10.

Sec. 2. [462A.31] [NEIGHBORHOOD LAND TRUSTS.]

Subdivision 1. [PURPOSES.] A neighborhood land trust must

have as one of its purposes the holding of land and the leasing of land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

Subd. 2. [POWERS.] A neighborhood land trust may have any or all of the powers permitted to a nonprofit corporation under chapter 317A, except that a neighborhood land trust must have the power to buy and sell land, to mortgage and otherwise encumber land, and to negotiate and enter into ground leases with an initial term of up to 99 years.

Subd. 3. [BYLAWS.] The bylaws of a neighborhood land trust must provide that:

(1) members of the general public who support the neighborhood land trust's purposes may become members of the trust;

(2) no more than 30 percent of the members may reside outside of the geographical area in which the neighborhood land trust operates, as specified in the bylaws;

(3) the membership has the power to elect a specified percentage of not less than 51 percent of the members of the governing board of the neighborhood land trust;

(4) lessees, residents of housing located on land owned by the neighborhood land trust, or representatives of either must constitute no less than 25 percent nor more than 40 percent of the membership of the governing board;

(5) remaining members of the governing board, if any, may be appointed by the neighborhood land trust board, to the extent specified in the bylaws; and

(6) the neighborhood land trust has the power to operate only within a geographical area specified in the bylaws.

Sec. 3. [462A.32] [LEASES.]

Subdivision 1. [LESSEES.] A neighborhood land trust shall hold title to and lease land to persons and families of low and moderate income or to other persons or corporations for purposes consistent with the goals of the neighborhood land trust.

Subd. 2. [RENT.] A neighborhood land trust may charge rent to the lessee in an amount to be determined by a method specified in the lease. The rent may include, but need not be limited to, land acquisition costs, real estate taxes, special assessments, an administrative charge, and a land use fee.

Subd. 3. [RESTRICTIONS.] A ground lease in which a neighborhood land trust is the lessor must contain provisions designed to preserve the affordability of housing on the land. Each ground lease must reserve to the neighborhood land trust the first option to purchase any building or improvement on the land, or any condominium or cooperative unit located in a building on the land, at a limited equity price specified in the ground lease. Each ground lease must grant to the Minnesota housing finance agency the right to exercise that first option to purchase if the neighborhood land trust does not, for any reason, exercise the first option. Each ground lease must exempt sales to persons and families of low and moderate income from the provisions granting the first option to purchase to the neighborhood land trust and to the Minnesota housing finance agency. Sales to persons and families of low and moderate income are not exempt from the limited equity price. A ground lease may also contain appropriate restrictions on:

- (1) subletting or assigning the ground lease;
- (2) construction and renovation of buildings and other improvements; and
- (3) sale of buildings and improvements.

Subd. 4. [MORTGAGES.] (a) A ground lease with a neighborhood land trust must prohibit the lessee from mortgaging the lessee's interest in the lease or in buildings or other improvements without the consent of the neighborhood land trust. A ground lease may obligate a neighborhood land trust as lessor and fee title holder to consent to, join in, or subordinate its interest to, a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land. A lease provision so obligating a neighborhood land trust must specify that the mortgage must provide to the neighborhood land trust the right to receive from the mortgagee prompt notice of default in the mortgage and the right to cure the default or to purchase the mortgagee's interest in the mortgage. The limited equity price and provisions in subdivision 3 do not apply if the lessee or the neighborhood land trust fails to cure the default or purchase the mortgagee's interest in the mortgage.

(b) A ground lease with a neighborhood land trust must provide that the neighborhood land trust will not, during the term of the lease, mortgage or otherwise encumber its interest in the property or permit any liens on its interest in the property to exist. This prohibition does not apply to mortgages that require the mortgagee to subordinate the lien of its mortgage to a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land.

Subd. 5. [RIGHTS OF HEIRS.] A ground lease with a neighbor-

hood land trust must provide that the heirs of the lessee may assume the lease, if the heirs agree to occupy the lease property as their homestead. For purposes of this subdivision, "the heirs" means the heirs at law of a lessee who dies intestate or the devisees of a lessee who dies testate.

Sec. 4. [462A.33] [NOTICE OF LEASE.]

A neighborhood ground lease must be in recordable form and may, but need not be, recorded in the office of the county recorder or filed in the office of the county registrar of titles. If the lease is not recorded or filed, the lessee shall record or file a notice of lease on a form to be prepared and made available by the agency. The notice of lease must state the names and addresses of the lessor and lessee, the beginning date and initial term of the lease, and a legal description of the property. The notice of lease must state that the lease is entered into pursuant to this chapter, must be signed by the lessor and lessee, and must be in recordable form.

Sec. 5. [462A.34] [DISSOLUTION.]

If a neighborhood land trust is dissolved, the procedure is governed by chapter 317A, except as otherwise provided in this section. If a receiver is to be appointed, the agency has priority to be appointed or to designate the appointee. The agency need not exercise its priority.

Sec. 6. [462A.35] [MORTGAGE SECURING LOANS TO TRUST.]

A neighborhood land trust may grant a mortgage on real estate to secure repayment of loans obtained from the state, any of its agencies or subdivisions, or any other entity, for the purpose of purchase, construction, or renovation of that real estate. Any such mortgage must comply with section 462A.32, subdivision 4, paragraph (b).

Sec. 7. [462A.36] [CITY OR HOUSING AUTHORITY MAY ACT AS LAND TRUST.]

Any home rule charter or statutory city, except cities of the first class, or any housing and redevelopment authority as defined by chapter 469 may exercise all of the powers granted in this chapter to neighborhood land trusts, subject to the city's or housing and redevelopment authority's ongoing compliance with all of the requirements of this chapter, except to the extent that compliance with this chapter conflicts with other law governing cities or housing and redevelopment authorities.

Sec. 8. [462A.37] [TRUST LAW NOT APPLICABLE.]

A neighborhood land trust is not subject to chapter 501B or the common law of trusts.

ARTICLE 9

FUNDING FOR NEIGHBORHOOD LAND TRUSTS

Section 1. Minnesota Statutes 1990, section 116J.984, subdivision 1, is amended to read:

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed \$25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, increasing or preserving the availability of housing primarily serving low- or moderate-income persons, organizing or funding neighborhood land trusts established under section 462A.30, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Sec. 2. Minnesota Statutes 1990, section 116J.984, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; ~~and~~

(4) the degree to which the project will assure the long-term affordability of neighborhood housing by use of a neighborhood land trust; and

(5) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 462A.02, is amended by adding a subdivision to read:

Subd. 11. It is further declared that it is in the best interests of the citizens of the state of Minnesota that public money used for the purposes of this chapter be used in a manner that best assures the long-term affordability of housing to low- and moderate-income citizens. To achieve that public purpose, the agency shall consider, in the making of grants and loans and other uses of agency resources, the degree to which such grants, loans, and other uses will assure the long-term affordability of the housing, by use of the neighborhood land trust model or other techniques.

Sec. 4. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

Subd. 22. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" has the meaning specified in article 8, section 1.

Sec. 5. Minnesota Statutes 1990, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. Projects funded under this subdivision may involve property owned by a neighborhood land trust. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. Neighborhood land trusts are eligible for both home ownership project funds and rental project funds. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 6. [462A.204] [NEIGHBORHOOD LAND TRUST ACCOUNT.]

Subdivision 1. [CREATION.] (a) The neighborhood land trust account is created as a separate account in the housing development fund.

(b) The neighborhood land trust account consists of:

(1) money appropriated or transferred from other state funds;

(2) all interest, dividends, and pecuniary gains from investment of money of the neighborhood land trust account;

(3) all proceeds from the sale of land purchased with money from the neighborhood land trust account; and

(4) money made available to the agency for the purposes of the account from other sources, including the transfer of unencumbered balances from other accounts in the housing development fund.

Subd. 2. [APPLICATION OF ACCOUNT.] The agency shall make loans and grants to finance the organization of neighborhood land trusts, the purchase of land or interests in land by neighborhood land trusts, and the development of affordable housing in accordance with article 8.

Subd. 3. [AGENCY POWERS; DUTIES.] The agency shall:

(1) establish criteria to select which organizations eligible under article 8, that apply for loans and grants under this section, receive funding;

(2) establish priorities for funding neighborhood land trusts that best demonstrate the ability to provide housing for people most in need;

(3) establish requirements for matching funds for loans and grants under this section;

(4) determine the circumstances, terms, and conditions under which all or any portion of a loan made under this section will be repaid; and

(5) establish appropriate security for loan repayment.

Subd. 4. [ELIGIBLE ORGANIZATIONS; CAPACITY.] An organization eligible under article 8 must demonstrate in its application to the agency that it is able to establish and operate a neighborhood land trust by having the capacity to:

(1) organize and continue a relationship with the land trust board as required by article 8;

(2) select and acquire property for a neighborhood land trust and contract with businesses or organizations for the rehabilitation or development of the neighborhood land trust property;

(3) acquire any required matching funds;

(4) link residents of neighborhood land trusts with community self-sufficiency resources; and

(5) provide property maintenance classes and other residential assistance.

Subd. 5. [TRANSFERS.] Notwithstanding section 462A.20, subdivision 3, the agency may not transfer unencumbered balances from the neighborhood land trust account to any other account in the housing development fund.

Sec. 7. [462A.38] [NEIGHBORHOOD LAND TRUST REPORTS.]

Each neighborhood land trust that receives a grant or loan from the agency must submit an annual report to the agency by December 1 of each year. The report must describe the use of grant or loan funds received.

By January 15, 1992, and each year thereafter, the agency must prepare and submit an annual report to the legislature and the governor summarizing the reports of the neighborhood land trusts.

ARTICLE 10

APPROPRIATIONS

Section 1. [APPROPRIATION; DEPARTMENT OF JOBS AND TRAINING.]

\$500,000 is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance pilot project to be available for the biennium ending June 30, 1993.

\$750,000 is appropriated from the general fund to the commissioner of jobs and training for the operation of transitional housing programs under Minnesota Statutes, section 268.38, to be available for the biennium ending June 30, 1993.

Sec. 2. [APPROPRIATION; HOUSING TRUST FUND ACCOUNT.]

\$2,000,000 is appropriated and transferred from the general fund to the housing trust fund account in the housing development fund for the purposes specified in Minnesota Statutes, section 462A.201.

Sec. 3. [APPROPRIATION; HOUSING DEVELOPMENT FUND.]

\$423,000 is appropriated from the general fund to the housing development fund for the tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

\$100,000 is appropriated from the general fund to the housing development fund to provide housing for chronic chemically dependent adults under section 462A.05. Other special needs housing funds can also be used for the purpose of providing housing for chronic chemically dependent adults.

Sec. 4. [APPROPRIATION; NEIGHBORHOOD LAND TRUST ACCOUNT.]

\$100,000 is appropriated from the general fund to the commissioner of the housing finance agency for the neighborhood land trust account to be available until expended.

Sec. 5. [APPROPRIATION; HOUSING FOR HOMELESS.]

\$100,000 is appropriated from the general fund to the commissioner of state planning to administer article 3, sections 2 to 8 to be available for the biennium ending June 30, 1993.

Sec. 6. [APPROPRIATION; TRADE AND ECONOMIC DEVELOPMENT.]

\$50,000 is appropriated from the general fund to the commissioner of trade and economic development to fund an incubator as a pilot project. This incubator must be located in the seven-county metropolitan area in a city of the first class in a targeted neighborhood with a high population of low-income American Indian residents. The targeted neighborhood is defined by Minnesota Statutes, section 469.201. This sum is available until June 30, 1993. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

No funds shall be released for the purposes of sections 1 and 2 until the commissioner of trade and economic development has reviewed the services and determined that they do not duplicate other state programs."

The motion prevailed and the amendment was adopted.

Clark and Morrison moved to amend S. F. No. 720, as amended, as follows:

Page 29, delete section 23

Page 29, line 35, reinstate the stricken language

Page 29, line 36, reinstate the stricken language and delete the new language

Page 30, lines 1 to 6, delete the new language

Page 30, line 9, delete "or"

Page 30, line 10, delete "owner-occupied"

Page 30, line 11, reinstate the stricken language and delete the new language

Page 30, line 18, strike "and" and after the stricken "corresponding" insert a comma and after the stricken "of" insert ", and affordability, as established under section 24,"

Page 30, lines 28 to 31, delete the new language

Page 30, line 32 delete "(4)"

Page 30, line 33, reinstate the stricken "(4)" and delete "(5)"

Page 31, line 3, delete "(6)" and insert "(5)"

Page 31, line 8, delete "(7)" and insert "(6)"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Clark moved to amend S. F. No. 720, as amended, as follows:

Page 18, delete section 1

Page 18, line 22, delete "state planning agency" and insert "housing finance agency"

Page 23, delete section 9

Delete pages 24 to 28

Page 29, delete lines 1 to 13

Page 51, line 1, delete "shall" and insert "may"

Pages 62 and 63, delete section 6

Pages 63 to 65, delete article 10

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby, Osthoff, Scheid, Stanius, Bishop and Frerichs moved to amend S. F. No. 720, as amended, as follows:

Page 9, delete section 6

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sparby et al amendment and the roll was called. There were 91 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Cooper	Frederick	Hasskamp
Anderson, I.	Bettermann	Dauner	Frerichs	Haukoos
Anderson, R.	Blatz	Davids	Girard	Heir
Anderson, R. H.	Bodahl	Dempsey	Goodno	Henry
Battaglia	Boo	Dille	Gruenes	Hufnagle
Bauerly	Brown	Dorn	Gutknecht	Hugoson
Begich	Carlson	Erhardt	Hartle	Jacobs

Jennings	Limmer	Osthoff	Seaberg	Uphus
Johnson, V.	Lynch	Ostrom	Segal	Valento
Kalis	Macklin	Ozment	Simoneau	Waltman
Kelso	Marsh	Pauly	Smith	Welker
Kinkel	McEachern	Pellow	Solberg	Welle
Knickerbocker	McPherson	Pelowski	Sparby	Wenzel
Koppendrayer	Nelson, S.	Peterson	Stanius	Winter
Krinkie	Newinski	Reding	Steensma	Spk. Vanasek
Krueger	Olsen, S.	Rodosovich	Sviggun	
Lasley	Olson, E.	Schafer	Swenson	
Leppik	Omann	Scheid	Thompson	
Lieder	Onnen	Schreiber	Tompkins	

Those who voted in the negative were:

Carruthers	Jaros	Mariani	Orfield	Tunheim
Clark	Jefferson	McGuire	Pugh	Wagenius
Dawkins	Johnson, A.	Milbert	Rest	Weaver
Greenfield	Kahn	O'Connor	Rice	Wejman
Hanson	Long	Ogren	Rukavina	
Janezich	Lourey	Olson, K.	Runbeck	

The motion prevailed and the amendment was adopted.

Jennings moved to amend S. F. No. 720, as amended, as follows:

Page 12, delete section 5

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Jennings amendment and the roll was called. There were 88 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hartle	Krueger	Olsen, S.
Anderson, I.	Dauner	Haukoos	Lasley	Olson, E.
Anderson, R.	Dauids	Heir	Leppik	Omann
Anderson, R. H.	Dempsey	Henry	Lieder	Onnen
Battaglia	Dille	Hufnagle	Limmer	Osthoff
Beard	Dorn	Hugoson	Lynch	Ostrom
Begich	Erhardt	Jacobs	Macklin	Ozment
Bertram	Frederick	Jennings	Marsh	Pauly
Bettermann	Frerichs	Johnson, V.	McEachern	Pellow
Blatz	Girard	Kelso	McPherson	Pelowski
Boo	Goodno	Knickerbocker	Murphy	Peterson
Brown	Gruenes	Koppendrayer	Nelson, S.	Reding
Carlson	Gutknecht	Krinkie	Newinski	Rodosovich

Runbeck	Smith	Swiggum	Valento	Wenzel
Schafer	Solberg	Swenson	Vellenga	Winter
Schreiber	Sparby	Tompkins	Waltman	Spk. Vanasek
Seaberg	Stanius	Trimble	Welker	
Segal	Steensma	Uphus	Welle	

Those who voted in the negative were:

Bodahl	Hasskamp	Kalis	Olson, K.	Simoneau
Carruthers	Janezich	Kinkel	Orenstein	Thompson
Clark	Jaros	Lourey	Orfield	Tunheim
Dawkins	Jefferson	Mariani	Pugh	Wagenius
Garcia	Johnson, A.	McGuire	Rest	Weaver
Greenfield	Johnson, R.	Milbert	Rice	Wejcmán
Hanson	Kahn	O'Connor	Rukavina	

The motion prevailed and the amendment was adopted.

S. F. No. 720, A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

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 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Battaglia	Farrell	Kalis	Ogren	Simoneau
Bauerly	Garcia	Kinkel	Olson, K.	Skoglund
Beard	Goodno	Krueger	Orenstein	Steensma
Begich	Greenfield	Lieder	Orfield	Thompson
Bertram	Hanson	Long	Ostrom	Trimble
Bodahl	Hasskamp	Lourey	Peterson	Tunheim
Brown	Hausman	Mariani	Pugh	Vellenga
Carlson	Jacobs	McEachern	Rest	Wagenius
Carruthers	Janezich	McGuire	Rice	Wejcmán
Clark	Jaros	Milbert	Rodosovich	Wenzel
Cooper	Jefferson	Morrison	Rukavina	Winter
Dauner	Johnson, A.	Munger	Runbeck	Spk. Vanasek
Dawkins	Johnson, R.	Murphy	Sarna	
Dorn	Kahn	O'Connor	Segal	

Those who voted in the negative were:

Abrams	Girard	Krinkie	Onnen	Svigum
Anderson, I.	Gruenes	Lasley	Osthoff	Swenson
Anderson, R.	Gutknecht	Leppik	Ozment	Tompkins
Anderson, R. H.	Hartle	Limmer	Pauly	Uphus
Bettermann	Haukoos	Lynch	Pellow	Valento
Blatz	Henry	Macklin	Pelowski	Waltman
Boo	Hufnagle	Marsh	Schafer	Weaver
Dauids	Hugoson	McPherson	Scheid	Welker
Dempsey	Jennings	Nelson, S.	Schreiber	Welle
Dille	Johnson, V.	Newinski	Seaberg	
Erhardt	Kelso	Olsen, S.	Smith	
Frederick	Knickerbocker	Olson, E.	Sparby	
Frerichs	Koppendraye	Omann	Stanius	

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

The Speaker resumed the Chair.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 655, A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House refuse to concur in the Senate amendments to H. F. No. 655, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 655:

Lasley, Kalis and Marsh.

SPECIAL ORDERS

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.

MOTIONS AND RESOLUTIONS

Lasley moved that the names of Brown, Steensma, Hanson and

Orenstein be added as authors on H. F. No. 463. The motion prevailed.

Clark moved that the name of Runbeck be stricken as an author on H. F. No. 1002. The motion prevailed.

Pauly moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Tuesday, May 14, 1991, on H. F. No. 594, as amended by the Senate." The motion prevailed.

Tompkins moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Tuesday, May 14, 1991, on H. F. No. 628, as amended." The motion prevailed.

Frerichs moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Tuesday, May 14, 1991, on H. F. No. 628, as amended." The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 9:00 a.m., Monday, May 20, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Monday, May 20, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

