

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 24, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Pastor Randy Johnson, Temple Baptist Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

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	Krambeer	Onnen	Stanisus
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggunn
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

A quorum was present.

Nelson, K., was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Heir moved that further reading of the Journal be dispensed

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

REPORTS OF CHIEF CLERK

S. F. No. 2514 and H. F. No. 2658, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Peterson moved that S. F. No. 2514 be substituted for H. F. No. 2658 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 443, A bill for an act relating to human services; establishing a board of chemical dependency counselors; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 595.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 148C.

Reported the same back with the following amendments:

Page 7, after line 22, insert:

"After July 1, 1995, no person may be licensed without passing the examination."

Page 8, line 31, after the period insert "City, county, and state agency chemical dependency counselors who are not licensed under sections 1 to 11 may use the title "city agency chemical dependency counselor," "county agency chemical dependence counselor," or "state agency chemical dependency counselor.""

Page 9, line 8, after "therapists," insert "social workers,"

Page 9, line 11, delete "state that they" and insert "use a title incorporating the words "chemical dependency counselor" or "licensed chemical dependency counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are licensed to engage in the practice of chemical dependency counseling."

Page 9, delete lines 12 and 13

Page 14, line 22, delete "1992" and insert "1993"

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

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1334, A bill for an act relating to retirement; volunteer firefighters; qualifying service; computation and proration of service pensions; amending Minnesota Statutes 1990, sections 424A.001, subdivision 4; and 424A.02, subdivisions 1, 3, 6, and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

VOLUNTEER FIRE BENEFIT CHANGES

Section 1. [69.032] [MAXIMUM FIRE STATE AID; ALLOCATION OF AID IN EXCESS OF MAXIMUM.]

(a) Notwithstanding any provision of section 69.031 to the contrary, no municipality associated with a volunteer firefighters relief association that pays a service pension other than a defined contribution service pension or independent nonprofit firefighting corporation may receive fire state aid in excess of the maximum in paragraph (b).

(b) The maximum fire state aid is an amount equal to 200 percent of the amount that would be the minimum municipal obligation of the municipality or nonprofit firefighting corporation under the applicable provisions of sections 69.771 to 69.775, if the municipality or nonprofit firefighting corporation received no fire state aid, as reflected in the reporting provided to the state auditor under sections 69.011 and 69.051.

(c) The commissioner of revenue shall deduct the amount of the calculated fire state aid apportionment in excess of the maximum specified in paragraph (b) from the calculated apportionment to

determine the amount of fire state aid payable to qualifying municipalities and independent nonprofit firefighting corporations. The remaining apportionment amount in excess of the maximum must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.

Sec. 2. Minnesota Statutes 1990, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches age 50; (3) completes at least five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least five years of active membership with the relief association before separation from active service; and (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association. A service pension computed under this section, if the bylaws or articles of incorporation of the relief association so provide, may be prorated monthly for fractional years of service. The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69. In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the payment of the service pension. During the period of inactive membership, the member is not entitled to receive disability benefit coverage, is not entitled to receive additional service credit towards computation of a service pension, and is considered to have the status of a person entitled to a deferred service pension under subdivision 7.

No municipality or nonprofit firefighting corporation may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level that this chapter would allow rather than a specific dollar amount or level.

No relief association as defined in section 424A.001, subdivision 4, may pay a service pension or disability benefit to a former member of the relief association if that person has not separated from active

service with the fire department to which the relief association is directly associated.

For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 3. Minnesota Statutes 1990, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association may have authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met shall must be determined using the applicable following table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum monthly service pension amount per month for each year of service credited which that may be provided for in the bylaws shall be the greater of: (1) the service pension amount provided for in the bylaws on the date of calculation; or (2) is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
37	.50
75	1.00
112	1.50
149	2.00
186	2.50
224	3.00
261	3.50
298	4.00
336	4.50
373	5.00
447	6.00
522	7.00
597	8.00
671	9.00
746	10.00
820	11.00
895	12.00
969	13.00
1044	14.00
1119	15.00
1193	16.00
1268	17.00
1342	18.00
1417	19.00
1491	20.00
1566	21.00
1640	22.00
1678	22.50
1715	23.00
1790	24.00
1865	25.00
1940	26.00
2015	27.00
2090	28.00
2165	29.00
2240 or more	30.00
<u>any amount more than 2240</u>	<u>30.00</u>

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum lump sum service pension amount for each year of service credited which that may be provided for in the bylaws shall be the greater of: (1) the service pension amount provided for in the bylaws on the date of the calculation; or (2) is the maximum service pension figure corresponding to the average amount of available financing

per active covered firefighter for the applicable specified period:

Minimum Average Amount
of Available Financing
per Firefighter

Maximum Lump Sum Service
Pension Amount Payable
for Each Year of Service

(1) for service pensions payable before January 1, 1993:

\$..	\$ 10
10	20
14	30
20	40
24	50
28	60
38	80
48	100
58	120
68	140
76	160
86	180
96	200
116	240
134	280
154	320
172	360
192	400
212	440
230	480
250	520
268	560
288	600
308	640
326	680
346	720
364	760
384	800
432	900
480	1000
528	1100
576	1200
624	1300
672	1400
720	1500
768	1600
816	1700
864	1800
912	1900
960	2000
1008	2100
1056	2200
1104	2300
1152	2400

1200	2500
1248	2600
1296	2700
1344	2800
1392	2900
1440 or more	3000
<u>any amount more than 1440</u>	<u>3000</u>

(2) in addition to the service pension maximum under clause (1), for service pensions payable after December 31, 1992, and before January 1, 1994:

1486	3100
1534	3200
1558	3250
<u>any amount more than 1558</u>	<u>3250</u>

(3) in addition to the service pension maximum under clauses (1) and (2), for service pensions payable after December 31, 1993, and before January 1, 1995:

1582	3300
1630	3400
1678	3500
<u>any amount more than 1678</u>	<u>3500</u>

(4) in addition to the service pension maximum under clauses (1), (2), and (3), for service pensions payable after December 31, 1994, and before January 1, 1996:

1726	3600
1774	3700
1798	3750
<u>any amount more than 1798</u>	<u>3750</u>

(5) in addition to the service pension maximum under clauses (1), (2), (3), and (4), for service pensions payable after December 31, 1995:

1822	3800
1870	3900
1918	4000
<u>any amount more than 1918</u>	<u>4000</u>

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension at the option of the retiring member, the maximum service pension amount shall for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced by virtue of a reduction in fire state aid or by virtue of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than \$30 per month per year of service credit or \$3,000 lump sum per year of service credit before January 1, 1993, \$3,250 lump sum per year of service credit before January 1, 1994, \$3,500 lump sum per year of service credit before January 1, 1995, \$3,750 lump sum per year of service credit before January 1, 1996, and \$4,000 lump sum per year of service credit after December 31, 1995, even if the minimum average amount of available financing per firefighter for a relief association providing a monthly benefit service pension is greater than \$2,240, or for a relief association providing a lump sum service pension, is greater than \$1,440 before January 1, 1993, \$1,558 before January 1, 1994, \$1,678 before January 1, 1995, \$1,798 before January 1, 1996, or \$1,918 after December 31, 1995.

Sec. 4. Minnesota Statutes 1990, section 424A.02, is amended by adding a subdivision to read:

Subd. 3a. [PENALTY FOR PAYING PENSION GREATER THAN APPLICABLE MAXIMUM.] (a) If a relief association pays a service pension greater than the maximum service pension associated with the applicable average amount of available financing per active covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies, the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum service pension amount specified in subdivision 3, paragraph (g), whichever is less, the state auditor shall:

(1) disqualify the municipality or the nonprofit firefighting corporation associated with the relief association from receiving fire state aid by making the appropriate notification to the municipality and the commissioner of revenue, with the disqualification applicable for the next apportionment and payment of fire state aid; and

(2) recover the amount of the overpaid service pension or pensions from any retired firefighter who received an overpayment.

(b) Fire state aid amounts from disqualified municipalities for the five-year period of disqualifications under paragraph (a), clause (1), must be credited to the amount of fire insurance premium tax

proceeds available for the next subsequent fire state aid apportionment.

(c) The amount of any overpaid service pension recovered under paragraph (a), clause (2), must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.

(d) The determination of the state auditor that a relief association has paid a service pension greater than the applicable maximum must be made on the basis of the information filed by the relief association and the municipality with the state auditor under sections 69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, and any other relevant information that comes to the attention of the state auditor. The determination of the state auditor is final. An aggrieved municipality, relief association, or person may appeal the determination under section 480A.06.

Sec. 5. [VALIDATION OF PRIOR PAYMENTS; AUTHORITY TO RETAIN CERTAIN SERVICE PENSION AMOUNTS.]

(a) Payments of lump sum service pensions by volunteer firefighter relief associations before March 15, 1992, that were in excess of the uppermost flexible service pension maximum amount specified in Minnesota Statutes, section 424A.02, subdivision 3, but were in conformance with the articles of incorporation or bylaws of the relief association in effect on the day before the payment of the lump sum service pension, are hereby ratified.

(b) A lump sum service pension amount in excess of the uppermost flexible service pension maximum amount specified in Minnesota Statutes 1990, section 424A.02, subdivision 3, and in excess of the applicable lump sum service pension maximum amount specified in section 424A.02, subdivision 3, as specified in the articles of incorporation or bylaws of a relief association in effect on December 31, 1991, may continue in force after December 31, 1991, but may not be subsequently increased except in conformance with section 424A.02, subdivision 3.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective on January 1, 1994. Sections 2 to 5 are effective on the day following final enactment.

ARTICLE 2

**VOLUNTEER FIRE INVESTMENT PERFORMANCE
REPORTING**

Section 1. Minnesota Statutes 1990, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with chapter 356A if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board are not subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the state treasurer to sell property other than money that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. Except as provided by section 356.218, public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility.

There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 2. Minnesota Statutes 1990, section 356.218, subdivision 2, is amended to read:

Subd. 2. [COVERED PUBLIC PENSION PLANS.] The provisions of this section apply to any Minnesota public pension plan, including a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.775, that has assets with a book value of at least \$500,000 as of the end of the preceding plan year. A volunteer firefighters relief association governed by sections 69.771 to 69.775, that has assets with a book value of at least \$500,000, but less than or equal to \$2,000,000 as of the end of the preceding plan year shall utilize the formula identified in subdivision 3, paragraph (b), clause (1), or the formula described in subdivision 3, paragraph (b), clause (2), as the relief association elects. Other covered public pension plans shall utilize the formula identified in subdivision 3, paragraph (b), clause (1).

Sec. 3. Minnesota Statutes 1990, section 356.218, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF THE INVESTMENT PERFORMANCE REPORT.] (a) The investment performance report required by this section must contain the time-weighted total rate of return results for each quarter and annually for each significant asset class or type of investment and for the portfolio as a whole.

(b) The time-weighted rate of return results must be computed using market values and the applicable procedure, as follows:

(1) the formula or formulas prescribed by the state board of investment under section 11A.04, clause (11); or

(2) by dividing the total investment gain or loss for the quarter by average assets for the quarter, where:

(i) the total investment gain or loss for the quarter is computed by subtracting the beginning market value for the quarter and the net contributions for the quarter from the ending market value for the quarter;

(ii) the measure of average assets to be used is beginning market value for the quarter plus one-half the net contributions for the quarter; and

(iii) the resulting quarterly returns for each significant asset class and for the portfolio as a whole must be used to create annual time-weighted returns according to the same procedures for developing annual time-weighted returns from quarterly returns, as used in the formula specified by the state board of investment under section 11A.04, clause (11).

(c) The person performing the calculations shall certify conformance to that formula or these formulas the applicable procedure.

(d) The investment performance report may also include any additional investment performance or investment related information that the chief administrative officer considers necessary to provide an adequate summary of the performance of the portfolio. The additional information must be clearly indicated as a supplement to the information required by this subdivision.

(e) The executive director of the legislative commission on pensions and retirement shall prescribe the forms on which the report must be submitted and may prescribe other directions for submitting the report.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1992.

ARTICLE 3

LOCAL VOLUNTEER FIRE RELIEF ASSOCIATION PROVISIONS

Section 1. Laws 1971, chapter 140, section 5, as amended by Laws 1973, chapter 30, section 5, is amended to read:

Sec. 5. [GOLDEN VALLEY VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; FUNERAL BENEFIT COVERAGE.]

Subdivision 1. [BENEFIT AUTHORIZATION.] Notwithstanding any provision of law to the contrary, the bylaws of the firemen's volunteer firefighters relief association in the village city of Golden Valley may provide for a funeral benefit not to exceed \$1,500 in case

of death of a retired, disabled, or active ~~fireman~~ firefighter. The amount of the funeral benefit payable on account of any deceased active, disabled, or retired firefighter may not exceed \$1,500.

Provided further, in the case of a member receiving an early retirement service pension or an early retirement service transfer pension under section 1, subdivision 2 or 3, and who ~~has been had credit for a period as~~ a member of the association ~~for a period of not less than five years~~, the funeral benefit ~~shall be in the is an~~ amount of \$100 for each year of service exceeding five and with a maximum benefit of \$1,500.

Subd. 2. [ADDITIONAL FUNDING REQUIREMENT FOR FUNERAL BENEFIT COVERAGE.] In addition to the determination of the accrued liability of the relief association under Minnesota Statutes, section 69.772, subdivision 2, the officers of the relief association shall determine an additional accrued liability for the funeral benefit coverage under subdivision 1. The additional accrued liability is an amount equal to ten percent of the accrued liability determined under Minnesota Statutes, section 69.772, subdivision 2. In calculating the financial requirements of the relief association and the minimum obligation of the municipality under Minnesota Statutes, section 69.772, subdivision 3, the additional accrued liability for this benefit coverage must be added to the results determined under Minnesota Statutes, section 69.772, subdivisions 2 and 2a.

Sec. 2. [RATIFICATION OF PRIOR FUNERAL BENEFIT PAYMENTS.]

Any funeral benefit payment made between March 27, 1973, and the effective date of this section, that was in conformance with the bylaws of the Golden Valley volunteer firefighters relief association at the time of the payment, but that was in excess of the amount authorized under Laws 1973, chapter 30, section 5, before this amendment is hereby ratified.

Sec. 3. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 1 and 2 are effective upon approval by the governing body of the city of Golden Valley and upon compliance with Minnesota Statutes, section 645.021.

ARTICLE 4

Section 1. [SECOND CHANCE MEDICARE COVERAGE REFERENDUM FOR CERTAIN PUBLIC PENSION PLAN MEMBERS.]

(a) A person described in paragraph (b) is entitled to elect Medicare coverage under Minnesota Statutes, section 355.90 in a

second social security referendum held for that purpose by the department of employee relations.

(b) A person eligible under paragraph (a) is a person who:

(1) was born on May 19, 1928;

(2) became employed as a teacher in 1953;

(3) is employed as a teacher by independent school district No. 77, Mankato; and

(4) is a member of the basic program of the teachers retirement association.

(c) If elected in the referendum, Medicare coverage is effective on the first of the month next following the referendum.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; volunteer firefighters relief associations; increasing service pension maximums; establishing a fire state aid maximum apportionment; providing penalties for noncompliance with service pension maximums; specifying duties for the state auditor; ratifying certain prior nonconforming lump sum service pension payments; continuing certain nonconforming lump sum service pension amounts in force; modifying certain investment performance calculations; modifying certain local volunteer firefighters relief association provisions; authorizing a second election on Medicare coverage by a certain teacher; amending Minnesota Statutes 1990, sections 11A.04; 356.218, subdivisions 2, and 3; and 424A.02, subdivisions 1, 3, and by adding a subdivision; Laws 1971, chapter 140, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 69."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1897, A bill for an act relating to education; modifying

the cooperative secondary facilities program; authorizing the sale of bonds; amending Minnesota Statutes 1990, sections 124.493, subdivision 1; 124.494, subdivisions 2 and 4; and 124.495; repealing Minnesota Statutes 1991 Supplement, section 124.493, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

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. [124.4791] [BOND ISSUE; MAXIMUM EFFORT LOANS, 1992.]

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 \$12,130,000, in addition to the bonds already authorized for this purpose. The same

amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 3. Minnesota Statutes 1990, section 124.495, is amended to read:

124.495 [STATE BOND AUTHORIZATION.]

Subdivision 1. [1989.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [1992.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$12,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this subdivision is in addition to bonds already authorized for this purpose.

Sec. 4. [124C.581] [ISSUANCE AND SALE OF BONDS.]

To provide money for grants under the desegregation capital improvement grant act, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$5,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this section is in addition to bonds already authorized for this purpose.

Sec. 5. [1992 MAXIMUM EFFORT LOANS.]

The commissioner of education shall make capital loans to independent school district No. 38, Red Lake, and independent school

district No. 239, Rush City. Capital loans to these districts are approved.

Sec. 6. [LIBRARY FOR THE BLIND AND PHYSICALLY HANDICAPPED; FARIBAULT.]

\$1,325,000 is appropriated from the bond proceeds fund to the commissioner of administration to construct and equip at Faribault an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

Sec. 7. [HOFFMAN CENTER; ST. PETER.]

\$400,000 is appropriated from the bond proceeds fund to the commissioner of administration for construction of an educational facility at Hoffman Center in St. Peter. The facility must be constructed to meet the educational needs of court-placed adolescent sex offenders for whom independent school district No. 508, St. Peter, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation and maintenance of the facility and that specifies that the state will retain ownership of the facility. The contract must also provide that the district will make the debt service payments on the bonds issued to construct the facility and that independent school district No. 508, St. Peter, will add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to make the required debt service payments, the commissioner of education shall reduce appropriations for special education aid and transfer the required amount to the debt service fund.

Sec. 8. [EDUCATIONAL FACILITY; ST. FRANCIS.]

\$4,000,000 is appropriated from the bond proceeds fund to the commissioner of administration for construction of an educational facility in independent school district No. 15, St. Francis. The facility must be constructed to meet the educational needs of court-placed adolescents for whom independent school district No. 15, St. Francis, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation, maintenance, and ownership of the facility, and specifies that the district will make the debt service payments on the bonds issued to construct the facility. Independent school district No. 15 may add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The district, at its discretion, may levy for a portion of the debt service

payments. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to make the required debt service payments, the commissioner of education shall reduce special education aid and transfer the required amount to the debt service fund.

Sec. 9. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor is to codify Laws 1990, chapter 610, article 1, section 45, as Minnesota Statutes, section 124.478."

Amend the title accordingly

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 1910, A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; appropriating money; amending Minnesota Statutes 1990, sections 116B.02, subdivision 2, and by adding a subdivision; 273.124, subdivision 8; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 308A.311, subdivision 7, and by adding a subdivision; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; 333.21, subdivision 1; 500.24, subdivisions 2, 3a, 3b, 4, 5, and 7; 550.366, subdivision 1; 551.06, subdivisions 2 and 9; 561.19, subdivision 1; 571.921; and 583.24,

subdivision 2; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; 500.24, subdivisions 3 and 6; and 571.75, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 322B.

Reported the same back with the following amendments:

Pages 1 to 3, delete sections 1 to 3

Page 10, delete sections 13 and 14

Pages 18 to 22, delete section 32

Page 22, lines 30 to 32, delete the new language

Page 23, lines 5, 6, 22, 34, and 35, delete the new language

Page 24, lines 16, 18, 26, 27, 28, 29, 31, and 32, delete the new language

Page 25, lines 1, 7, 8, 17, 28, and 29, delete the new language

Page 25, line 36, delete "family farm limited" and insert "or"

Page 26, delete line 1

Page 26, line 13, delete the new language

Page 27, lines 12 and 13, delete the new language

Page 27, line 14, reinstate the stricken language and delete the new language

Page 27, line 15, delete the new language

Pages 28 to 63, delete sections 34 to 46

Renumber the sections in article 1 in sequence

Delete the title and insert:

"A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent

for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; appropriating money; amending Minnesota Statutes 1990, sections 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 322B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1985, A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to persons not otherwise liable who undertake and complete cleanup actions under an approved cleanup plan; providing for submission and approval of cleanup plans and supervision of cleanup by the commissioner of the pollution control agency; authorizing the commissioner of the pollution control agency to issue determinations or enter into agreements with property owners near the source of releases of hazardous substances regarding future cleanup liability; appropriating money; amending Minnesota Statutes 1990, section 115B.17, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 115B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115B.17, subdivision 14, is amended to read:

Subd. 14. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance fund.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (d).

Sec. 2. [115B.175] [VOLUNTARY RESPONSE ACTIONS; LIABILITY PROTECTION; PROCEDURES.]

Subdivision 1. [PROTECTION FROM LIABILITY; SCOPE.] (a) Subject to the provisions of this section, a person who is not otherwise responsible under sections 115B.01 to 115B.18 for a release or threatened release will not be responsible under those sections for the release or threatened release if the person undertakes and completes response actions to remove or remedy all known releases and threatened releases at an identified area of real property in accordance with a voluntary response action plan approved by the commissioner.

(b) The liability protection provided under this subdivision applies to releases or threatened releases at the identified property that are not required to be removed or remedied by the approved voluntary response action plan if the requirements of subdivision 2 are met.

Subd. 2. [PARTIAL RESPONSE ACTION PLANS; CRITERIA FOR APPROVAL.] (a) The commissioner may approve a voluntary response action plan submitted under this section that does not require removal or remedy of all releases and threatened releases at an identified area of real property if the commissioner determines that all of the following criteria have been met:

(1) if reuse or development of the property is proposed, the voluntary response action plan provides for all response actions required to carry out the proposed reuse or development in a manner that protects public health and welfare and the environment;

(2) the response actions and the activities associated with any reuse or development proposed for the property will not aggravate or contribute to releases or threatened releases that are not required to be removed or remedied under the voluntary response action plan, and will not interfere with or substantially increase the cost of response actions to address the remaining releases or threatened releases; and

(3) the owner of the property agrees to cooperate with the commissioner or other persons acting at the direction of the commissioner in taking response actions necessary to address remaining releases or threatened releases, and to avoid any action that interferes with the response actions.

(b) Under paragraph (a), clause (3), an owner may be required to agree to any or all of the following terms necessary to carry out response actions to address remaining releases or threatened releases:

(1) to provide access to the property to the commissioner and the commissioner's authorized representatives;

(2) to allow the commissioner, or persons acting at the direction of the commissioner, to undertake activities at the property including placement of borings, wells, equipment, and structures on the property; and

(3) to grant easements or other interests in the property to the agency for any of the purposes provided in clause (1) or (2).

(c) An agreement under paragraph (a), clause (3), must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

Subd. 3. [SUBMISSION AND APPROVAL OF VOLUNTARY RESPONSE ACTION PLANS.] (a) A person shall submit a voluntary response action plan to the commissioner under section 115B.17, subdivision 14. The commissioner may provide assistance to review voluntary response action plans or supervise response action implementation under that subdivision.

(b) A voluntary response action plan submitted for approval of the commissioner must include an investigation report that describes the methods and results of an investigation of the releases and threatened releases at the identified area of real property. The commissioner must not approve the voluntary response action plan unless the commissioner determines that the nature and extent of

the releases and threatened releases at the identified area of real property have been adequately identified and evaluated in the investigation report.

(c) Response actions required in a voluntary response action plan under this section must meet the same standards for protection of public health and welfare and the environment that apply to response actions taken or requested under section 115B.17, subdivision 1 or 2.

(d) When the commissioner approves a voluntary response action plan, the commissioner may include in the approval an acknowledgment that, upon certification of completion of the response actions as provided in subdivision 5, the person submitting the plan will receive the protection from liability provided under this section.

Subd. 4. [PERFORMANCE OF RESPONSE ACTIONS DOES NOT ASSOCIATE PERSONS WITH RELEASE.] Persons specified in subdivision 6 do not associate themselves with any release or threatened release identified in an approved voluntary response action plan for the purpose of section 115B.03, subdivision 3, paragraph (d), as a result of performance of the response actions required in accordance with the plan and the direction of the commissioner. This subdivision does not apply to a person specified in subdivision 7. Nothing in this section relieves a person of any liability for failure to exercise due care in performing a response action.

Subd. 5. [CERTIFICATION OF COMPLETION OF RESPONSE ACTIONS.] (a) Response actions taken under an approved voluntary response action plan are not completed until the commissioner certifies completion in writing.

(b) Certification of completion of response actions taken under a voluntary response action plan that does not require removal or remedy of all releases and threatened releases is subject to compliance by the owner, and the owner's successors and assigns, with the terms of the agreement required under subdivision 2, paragraph (a), clause (3).

Subd. 6. [PERSONS PROTECTED FROM LIABILITY.] In addition to the person who undertakes and completes response actions, and subject to the provisions of subdivision 7, the liability protection provided by this section applies to the following persons when the commissioner issues the certificate of completion of response actions under subdivision 5:

(1) the owner of the identified property, if the owner is not responsible for any release or threatened release identified in the approved voluntary response action plan;

(2) a person providing financing to the person who undertakes and completes the response actions, or who acquires or develops the identified property; and

(3) a successor or assign of any person to whom the liability protection applies.

Subd. 7. [PERSONS NOT PROTECTED FROM LIABILITY.] The protection from liability provided by this section does not apply to:

(1) a person who aggravates or contributes to a release or threatened release that was not remedied under an approved voluntary response action plan;

(2) a person who was responsible under sections 115B.01 to 115B.18 for a release or threatened release identified in the approved voluntary response action plan before taking an action that would have made the person subject to the protection under subdivision 6; or

(3) a person who obtains approval of a voluntary response action plan for purposes of this section by fraud or misrepresentation, or by knowingly failing to disclose material information, or who knows that approval was so obtained before taking an action that would have made the person subject to the protection under subdivision 6.

Subd. 8. [OTHER RIGHTS AND AUTHORITIES NOT AFFECTED.] Nothing in this section affects the authority of the agency or commissioner to exercise any powers or duties under this chapter or other law with respect to any release or threatened release, or the right of the agency, the commissioner, or any other person to seek any relief available under this chapter against any party who is not subject to the liability protection provided under this section.

Sec. 3. [115B.177] [OWNER OF REAL PROPERTY AFFECTED BY OFF-SITE RELEASE.]

Subdivision 1. [DETERMINATION OR AGREEMENT BY COMMISSIONER.] (a) The commissioner may issue a written determination or enter into an agreement to take no action under sections 115B.01 to 115B.18 against a person who owns real property subject to a release of a hazardous substance, or pollutant or contaminant, if the commissioner finds that the release originates from a source on adjacent or nearby real property and that the person is not otherwise responsible for the release.

(b) A determination issued or agreement entered into under this section must be conditioned upon the following:

(1) agreement by the person to allow entry upon the property to

the commissioner and the authorized representatives of the commissioner to take response actions to address the release, including in appropriate cases an agreement to grant easements to the state for that purpose;

(2) agreement by the person to avoid any interference with the response actions to address the release taken by or at the direction of the agency or the commissioner, and to avoid actions that contribute to the release;

(3) invalidation of the determination or agreement if the commissioner receives new information indicating that the property owned by the person is a source of the release or that the person is otherwise responsible for the release; and

(4) any other condition that the commissioner deems reasonable and necessary to ensure that the agency and commissioner can adequately respond to the release.

Subd. 2. [SCOPE AND EFFECT OF DETERMINATION OR AGREEMENT.] (a) A determination issued or agreement entered into under this section may extend to the successors and assigns of the person to whom it originally applies, if the successors and assigns are not otherwise responsible for the release and are bound by the conditions in the determination or agreement.

(b) Issuance of a determination or execution of an agreement under this section does not affect the authority of the agency or commissioner to take any response action under sections 115B.01 to 115B.18 with respect to the release subject to the determination or agreement, or to take administrative or judicial action under those sections with respect to persons not bound by the determination or agreement.

Sec. 4. [PROPERTY TRANSFER PROGRAM; POLLUTION CONTROL AGENCY; COMPLEMENT AND APPROPRIATION.]

Subdivision 1. [COMPLEMENT.] The complement of the pollution control agency is increased by .. positions for the purpose of providing assistance under Minnesota Statutes, section 115B.17, subdivision 14, including assistance to carry out the provisions of section 1.

Subd. 2. [APPROPRIATION.] \$..... is appropriated to the pollution control agency from the environmental response, compensation, and compliance account for the biennium ending June 30, 1993, for the purpose of providing assistance as specified in subdivision 1.

Sec. 5. [SHORT TITLE.]

This act may be referred to as the "land recycling act of 1992."

Sec. 6. [EFFECTIVE DATE; APPLICATION.]

This act is effective the day following final enactment. Section 3 applies to a determination issued or an agreement entered into by the commissioner of the pollution control agency prior to its effective date if the determination or agreement meets the requirements of that section.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1991, A bill for an act relating to the environment; changing provisions relating to waste tires; appropriating money; amending Minnesota Statutes 1990, sections 115A.90, by adding a subdivision; 115A.908, subdivision 3; 115A.912; 115A.913; and 115A.914.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115A.90, is amended by adding a subdivision to read:

Subd. 2a. [AGENCY.] "Agency" means the pollution control agency.

Sec. 2. Minnesota Statutes 1990, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] This section is repealed on December 31, ~~1994~~ 1998.

Sec. 3. Minnesota Statutes 1990, section 115A.912, is amended to read:

115A.912 [WASTE TIRE MANAGEMENT]

Subdivision 1. [PURPOSE.] Money appropriated to the ~~office~~ agency for waste tire management may be spent for elimination of health and safety hazards of tire dumps and collection sites, tire dump abatement, collection, management and clean up of waste

tires, regulation of permitted waste tire facilities, research and studies to determine the technical and economic feasibility of uses for tire derived products, public education on waste tire management, and grants and loans under section 115A.913.

Subd. 2. [PRIORITIES FOR SPENDING.] (a) The office agency shall apply the following criteria to establish priorities for abatement:

(1) tire dumps or collection sites determined by the office agency to contain more than 1,000,000 tires;

(2) abatement of fire hazard nuisances;

(3) abatement of nuisance in densely populated areas; and

(4) collection and clean up of waste tires including abatement of tire dumps.

(b) The agency may award grants and loans only for projects that:

(1) use waste tire derived products in the generation of new products; or

(2) utilize the unique physical properties of waste tire derived products.

In awarding grants and loans, the agency shall give priority to projects that have reasonable potential to use a relatively greater number of waste tires and shall give priority to projects described in clause (1) over projects described in clause (2).

Subd. 3. [CONTRACTS WITH COUNTIES.] The office agency may contract with counties for the abatement of waste tire nuisances and may reimburse a county for up to 85 percent of the cost of abatement. A contract with a county for abatement of waste tire nuisances must incorporate a plan approved by the office agency that provides for the removal and processing of the waste tires in a manner consistent with office agency standards and ongoing office agency abatement activities. A county may recover by civil action its part of abatement costs from the tire collector responsible for a nuisance.

Sec. 4. Minnesota Statutes 1990, section 115A.913, is amended to read:

115A.913 [WASTE TIRE PROGRAMS.]

Subdivision 1. [LOANS AND GRANTS.] (a) The office agency may make loans to waste tire processing businesses for the capital costs of land, buildings, equipment, and other capital improvements

needed for the construction or betterment of waste tire processing facilities, and for the capital cost of equipment needed to transport waste tires to a waste tire processing facility. The office agency may also make loans to businesses that use waste tire derived products in manufacturing processes, for the capital costs of land, buildings, and equipment used in the manufacturing process.

(b) The office agency may make grants for:

(1) studies necessary to demonstrate the technical and economic feasibility of a proposed waste tire processing project, or of a proposed use for waste tire derived products in a manufacturing process;

(2) development of advertising and promotional materials for waste tire derived products;

(3) business development activities relating to waste tire derived products; and

(4) obtaining patents for waste tire derived products.

A grant may not exceed ~~\$30,000~~ \$50,000 and may not exceed 75 percent of the costs of a study the funded project. A grant agreement entered into by the agency may include, where appropriate, provisions allowing the state to receive a portion of the royalties or other revenues generated by a waste tire derived product.

Subd. 1a. [APPROPRIATION; REVOLVING ACCOUNT.] All payments of principal and interest on loans made under this section must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the agency to make loans under subdivision 1.

Subd. 2. [COLLECTION AND TRANSPORTATION.] The office agency may make grants to local government units for the cost of establishing waste tire collection sites. Grants may be used for the capital costs of land, structures, and equipment needed to establish waste tire collection sites, and to collect and transport waste tires. A grant may not exceed 50 percent of the cost to a local government unit to establish a waste tire collection site.

Subd. 3. [FEASIBILITY STUDIES.] The office agency may conduct research and studies to determine the technical and economic feasibility and environmental impacts of uses for waste tire derived products.

Subd. 4. [PUBLIC EDUCATION.] The office agency may conduct a program to inform the public about proper handling and opportunities for processing of waste tires consistent with section 115A.072.

Subd. 5. [REPORT.] By November 15 of each year, the office agency shall prepare and submit to the legislative commission on waste management a progress report of the office's agency's operations and activities under sections 115A.90 to 115A.914.

Sec. 5. Minnesota Statutes 1990, section 115A.914, is amended to read:

115A.914 [ADMINISTRATION; COUNTY PLANNING AND ORDINANCES.]

Subdivision 1. [REGULATORY AND ENFORCEMENT POWERS.] For purposes of implementing and enforcing the waste tire programs in sections 115A.90 to 115A.914, the office agency may exercise the regulatory and enforcement powers of the agency under chapters 115 and 116.

Subd. 2. [OFFICE AGENCY RULES.] The office agency shall adopt rules for administration of waste tire collector and processor permits, waste tire nuisance abatement, and waste tire collection.

Subd. 3. [COUNTY PLANNING; ORDINANCES.] Counties shall include collection and processing of waste tires in the solid waste management plan prepared under sections 115A.42 to 115A.46 and shall adopt ordinances under sections 400.16 and 473.811 for management of waste tires that embody, but may be more restrictive than, office agency rules.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated from the fund to the commissioner of transportation for the project described in Laws 1991, chapter 254, article 1, section 14, subdivision 13, paragraph (b).

Sec. 7. [REPEALER.]

Minnesota Statutes 1990, section 115A.913, subdivision 3, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 6 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to the environment; changing provisions relating to waste tires; appropriating money; amending Minnesota Statutes 1990, sections 115A.90, by adding a subdivision; 115A.908,

subdivision 3; 115A.912; 115A.913; and 115A.914; repealing Minnesota Statutes 1990, section 115A.913, subdivision 3."

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

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2043, A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by pet dealers; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 2, line 1, after "condition" insert "which would impair the health or function of the animal"

Page 2, line 20, delete "problems" and insert "problem"

Page 3, line 17, delete "ill" and after "animal" insert "with a health problem"

Page 3, line 33, delete "is ill due to a disease" and insert "has a health problem"

Page 4, line 4, delete "disease" and insert "health problem"

Page 4, line 12, delete "illness" and insert "a health problem" and delete the second "the"

Page 4, line 31, delete "exposure to" and insert "a" and after "disease" insert "contracted"

Page 5, line 10, delete "initial" and delete "but shall have the" and insert "or autopsy. The pet dealer has a"

Page 5, line 11, delete "unless" and insert "if" and after "is" insert "not"

Page 6, after line 32, insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective December 1, 1992."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2121, A bill for an act relating to education; making technical changes on programs administered by the department of education; amending Minnesota Statutes 1990, sections 121.935, by adding a subdivision; 123.35, by adding a subdivision; 124A.22, by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2; and 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 120.17, subdivision 7a; 124.155, subdivision 2; 124.19, subdivision 1; 124.2727, subdivision 6; 124A.03, subdivision 2; 124A.23, subdivision 4; and 124A.24; Laws 1991, chapter 265, articles 7, section 37, subdivision 6; and 9, section 76; repealing Minnesota Statutes 1990, section 124A.23, subdivision 2a; Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; and 124.646, subdivision 2; Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 GENERAL EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, 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 May, 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 37.0 an amount equal to the levy recognized as revenue in June of the prior year plus 50.0 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) 37.0 50.0 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 1991 Supplement, 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 plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~37.0~~ 50.0 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 homestead and agricultural credit 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, subdivision 2, is amended to read:

Subd. 2. [VOLUNTARY DISSOLUTION: REFERENDUM ~~LEVIES REVENUE~~.] As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum ~~levies revenues~~ previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, ~~the board of the enlarged district may levy the increased amount~~ district's referendum revenue equals the net tax capacity rate previously approved by a referendum in the preexisting independent district upon all taxable property times the previous year's net tax capacity in the enlarged district. Any new referendum ~~levy revenue~~ shall be ~~certified~~ authorized only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 124A.03, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 122.531, subdivision 2a, is amended to read:

Subd. 2a. [CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM ~~LEVIES REVENUES~~.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum ~~levies revenues~~, the authorization for all referendum ~~levies revenues~~ previously approved by the voters of all

affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum levy revenue authorization for the newly created district shall be the local net tax capacity rate that would raise an amount equal to the combined dollar amount of the referendum levies revenues authorized by each of the component districts for the year preceding the consolidation, unless the referendum levy revenue authorization of the newly created district is subsequently modified pursuant to section 124A.03, subdivision 2. If the referendum levy revenue authorizations for each of the component districts were limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy revenue authorization of any component district is not limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall not be limited to a specified number of years.

Sec. 5. Minnesota Statutes 1990, section 122.531, subdivision 2b, is amended to read:

Subd. 2b. [ALTERNATIVE METHOD.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum levies revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be combined as provided in this subdivision. The referendum levy revenue authorization for the newly created district may be any local net tax capacity rate provided in the plan for consolidation, but may not exceed the local net tax capacity rate that would raise an amount equal to the combined dollar amount of the referendum levies revenues authorized by each of the component districts for the year preceding the consolidation. If the referendum levy revenue authorizations for each of the component districts were limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy revenue authorization of any component district is not limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall not be limited to a specified number of years. The referendum levy revenue authorization for the newly created district may be modified pursuant to section 124A.03, subdivision 2.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.155, subdivision 2, is amended to read:

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

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

~~(a)~~ (1) general education aid authorized in sections 124A.23 and 124B.20;

~~(b)~~ (2) secondary vocational aid authorized in section 124.573;

~~(c)~~ (3) special education aid authorized in section 124.32;

~~(d)~~ (4) secondary vocational aid for handicapped children authorized in section 124.574;

~~(e)~~ (5) aid for pupils of limited English proficiency authorized in section 124.273;

~~(f)~~ (6) transportation aid authorized in section 124.225;

~~(g)~~ (7) community education programs aid authorized in section 124.2713;

~~(h)~~ (8) adult education aid authorized in section 124.26;

~~(i)~~ (9) early childhood family education aid authorized in section 124.2711;

~~(j)~~ (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;

~~(k)~~ (11) education district aid according to section 124.2721;

~~(l)~~ (12) secondary vocational cooperative aid according to section 124.575;

~~(m)~~ (13) assurance of mastery aid according to section 124.311;

~~(n)~~ (14) individual learning and development aid according to section 124.331;

~~(o)~~ (15) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

~~(p)~~ (16) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

(q) (17) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; and

~~(r) (18) attached machinery aid authorized in section 273.138, subdivision 3; and~~

(19) alternative delivery aid authorized in section 124.322.

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

Sec. 7. [124.197] [SHORT-TERM BORROWING COST REIMBURSEMENT AID.]

Subdivision 1. [FROM 1993 AND THEREAFTER.] Beginning in fiscal year 1993, the commissioner of education shall pay aid to eligible school districts to reimburse them for costs of short-term borrowing.

Subd. 2. [DOCUMENTATION.] Short-term borrowing cost reimbursement aid shall only be paid to a school district providing documentation to the commissioner of education demonstrating that it engaged in short-term borrowing during the fiscal year for which it is requesting reimbursement. The commissioner shall determine and define specific data that districts must provide and establish the due date for submission. Any district not submitting required data by the due date will be excluded from the aid calculations for that year.

Subd. 3. [DEFINITION.] For purposes of this section, "cash need" equals the difference between estimated cumulative expenditures and estimated cumulative receipts calculated in a manner consistent with sections 124.155 and 124.195, less the amount of cash balance determined according to section 124.196.

Subd. 4. [COMPUTATION.] The maximum short-term borrowing cost reimbursement aid for a fiscal year shall be the smaller of:

(1) documented short-term borrowing costs; or

(2) the sum of the products of:

(i) a semimonthly short-term borrowing interest rate estimated by the commissioner of finance, times

(ii) the positive semimonthly differences between:

(a) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent

specified in section 121.904, subdivisions 4a and 4e, is 50 percent; and the schedules and criteria for aid and credit payments in section 124.195; and

(b) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent specified in section 121.904, subdivision 4a, is 37 percent; the schedules and criteria for aid and credit payments in section 124.195. The cash need calculations required for determining the short-term borrowing cost reimbursement aid are to be based on the data used in accordance with the state aid payment calculations required by section 124.195 for the May 30 payment period. The commissioner of education may adjust the May 30 data for updated information as is appropriate.

Subd. 5. [PAYMENT.] The short-term borrowing cost reimbursement aid shall be paid in full to eligible districts on or before June 30 of each fiscal year.

Subd. 6. [APPROPRIATION.] There is annually appropriated to the commissioner of education the amount needed to pay short-term borrowing cost reimbursement aid as established in this section.

Sec. 8. Minnesota Statutes 1990, section 124.73, subdivision 1, is amended to read:

Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.76, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed ~~50~~ ⁷⁵ percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached. In determining the amount of taxes due and payable in the calendar year, any amounts paid by the state to replace such taxes, whether paid in that calendar year or not, shall be included.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] 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~~ ³⁰ percent of the formula allowance for that fiscal year.

Sec. 10. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 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. Unless the referendum is conducted by mail under paragraph (g), 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 revenue per actual pupil unit, the estimated ~~net referendum tax capacity~~ rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring referendum levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. 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 revenue proposed by (petition to) the board of, School District No. ..., be approved?”

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year 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 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 home-

steads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, 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: "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 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 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 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 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.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 11. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value, the amount that will be raised by that new school referendum tax rate in the first year it is to be levied, and that the new school referendum tax rate shall be used to finance school operations.

If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124A.03, is amended by adding a subdivision to read:

Subd. 2b. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 2, clause (g), the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day based on the following district characteristics:

(1) the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt; or

(2) the district referendum levy authority expires in the coming year or has a documented hardship.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 13. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue, for the same year.

Sec. 14. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8b. [SUPPLEMENTAL AID.] A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.

Sec. 15. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] 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 \$916,000,000 for fiscal year 1993 and ~~\$961,800,000~~ \$975,800,000 for fiscal year 1994 and 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. 16. Minnesota Statutes 1990, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] If the amount of the general education levy for a district exceeds the district's general education revenue, excluding training and experience revenue and supplemental revenue, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue, excluding training and experience revenue and supplemental revenue; plus

(2) the amount of the aid reduction for the same school year according to section 124A.24; minus

(3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Sec. 17. Minnesota Statutes 1991 Supplement, 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 training and experience revenue and 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~~ training and experience aid according to section 124A.22, subdivision 4b;

(3) supplemental aid according to section 15;

(4) shared time aid according to section 124A.02, subdivision 21;
and

(4) (5) referendum aid according to section 124A.03.

Sec. 18. Minnesota Statutes 1991 Supplement, 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 chapters 124 and 124B, 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 training and experience revenue and supplemental revenue, for the same school year, according to section 124A.22.

However, 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. 19. Minnesota Statutes 1991 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds \$600 20 percent of the formula allowance under section 124A.22, subdivision 2, times the fund balance pupil units in the prior year. For purposes of this subdivision only and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, 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, 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. 20. Minnesota Statutes 1990, section 124A.26, is amended by adding a subdivision to read:

Subd. 1a. [ALTERNATIVE REDUCTION CALCULATION.] For any district where the ratio of (1) the number of nonpublic students ages 5 to 18, according to the report required under section 120.102, to (2) the total number of residents in the district ages 5 to 18 as counted according to the annual fall school census is greater than 40 percent, the district's net unappropriated operating fund balance for that year for the purpose of calculating the fund balance reduction under this section is equal to the sum of the district's net unappropriated fund balance in the general, transportation, and food service funds.

Sec. 21. Minnesota Statutes 1990, section 124A.26, subdivision 2, is amended to read:

Subd. 2. [LEVY REDUCTION.] If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

(1) the reduction specified in subdivision 1, times

(2) the lesser of one or the ratio of the district's general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue.

Sec. 22. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$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, including outcome-based education, according to under 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 the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used 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. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 23. Minnesota Statutes 1991 Supplement, section 126.70, is amended to read:

126.70 [STAFF DEVELOPMENT PLAN.]

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 an outcome-based~~ a staff development advisory committee and adopts a staff development plan ~~on outcome-based education according to under this subdivision.~~ A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators.

The advisory committee shall develop a staff development plan containing proposed outcome-based education activities and that includes 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. Districts must submit approved plans to the commissioner.

Subd. 2. [CONTENTS OF THE PLAN.] The plan may include:

(1) procedures the district will use to analyze ~~outcome-based~~ education needs;

(2) integration methods for integrating education needs with in-service and curricular efforts already in progress;

(3) education goals to be achieved and the means to be used achieve the goals; and

(4) procedures for evaluating progress toward meeting education needs and goals.

Subd. 2a. [PERMITTED USES.] A school board may approve a plan to accomplish any of the following purposes:

(1) foster readiness for ~~outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education learning~~;

(2) develop programs based on principles and strategies of outcome-based education, as defined in section 126.661, subdivision 7;

(3) 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)~~ (4) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans goals and by encouraging pupils and their parents to assume responsibility for their education;

(4) ~~(5)~~ design and develop ~~outcome-based education~~ programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

~~(5)~~ (6) evaluate the effectiveness of ~~outcome-based~~ education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; ~~and~~

(6) (7) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers; and

(8) create educational change and continuous improvement through initiatives that increase knowledge, understanding, and commitment to ensuring learning success.

Sec. 24. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 23. [LEVY ADJUSTMENT FOR LAW CHANGES.] Whenever a change in law changes the levy authority for a school district or an intermediate school district for a fiscal year after the levy for that fiscal year has been certified by the district under section 275.07, the department of education shall adjust the next levy certified by the district by the amount of the change in levy authority for that fiscal year resulting from the change. Notwithstanding section 121.904, the entire amount of the levy adjustment must be recognized as revenue in the fiscal year the levy is certified, if sufficient levy resources are available under generally accepted accounting principles in the district fund where the adjustment is to occur. School districts that do not have sufficient levy resources available in the fund where the adjustment is to occur shall recognize in the fiscal year the levy is certified an amount equal to the levy resources available. The remaining adjustment amount shall be recognized as revenue in the fiscal year after the levy is certified.

Sec. 25. [LOW FUND BALANCE LEVY.]

(a) For 1992 taxes payable in 1993, a district meeting the qualifications in paragraph (b) may levy an amount not to exceed \$40 times the number of actual pupil units in the district in fiscal year 1993.

(b) a district qualifies for a levy under this section if:

(1) its net unappropriated operating fund balance on June 30, 1991, divided by its actual pupil units for fiscal year 1993 is less than \$85;

(2) its adjusted net tax capacity used to compute fiscal year 1993 general education revenue divided by its fiscal year 1993 actual pupil units is less than \$2,000; and

(3) it does not have referendum levy authority under Minnesota Statutes, section 124A.03.

Sec. 26. [REFERENDUM AMOUNT.]

Notwithstanding any law to the contrary, for taxes payable in

1993, 1994, and 1995 only, a school district's maximum referendum revenue authority is the greater of the amount allowed under Minnesota Statutes, section 124A.03, or the district's referendum revenue authority for taxes payable in 1992, less any amount of authority that expires because of a ballot limitation.

Sec. 27. [APPROPRIATION REDUCTIONS.]

For fiscal year 1993, appropriations to the department of education in Laws 1991, chapter 265, and appropriations for any property tax aid or credit paid to school districts from the state's general fund pursuant to Minnesota Statutes, chapter 273, shall be reduced by a combined total of \$185,700,000 in a manner consistent with Minnesota Statutes, section 124.155, subdivision 2.

Sec. 28. [LEVY RECOGNITION DIFFERENCES.]

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(1) the amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1993 according to section 1; and

(2) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1993 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.

Sec. 29. [EFFECTIVE DATES.]

Sections 1, 2, 6, 10, 11, and 12 are effective the day following final enactment. The amendment in the second sentence of section 19 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 20 is effective retroactively to July 1, 1990, and applies to 1990-1991 and later school years.

Sections 22 and 23 are effective for the 1992-1993 school year.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 123.39, subdivision 8d, is amended to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in early childhood family education programs and learning readiness program if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 2. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 5i. [TRANSPORTATION LEVY FOR LATE ACTIVITY BUS.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) Notwithstanding section 121.904, the amount of the levy authorized in this section shall be recognized as revenue in the fiscal year in which it is certified.

(c) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(1) all ~~handicapped~~ handicapped children and youth with disabilities are

provided the special instruction and services which are appropriate to their needs. The student's needs and the special education instruction and services to be provided shall be agreed upon through the development of an individual education plan. The plan shall address the student's need to develop skills to live and work as independently as possible within the community. By grade 9 or age 14, the plan shall address the student's needs for transition from secondary services to post-secondary education and training, employment, and community participation, recreation, and leisure and home living. The plan must include a statement of the needed transition services including a statement of the interagency responsibilities or linkages or both before the student leaves the school setting;

(2) handicapped children under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(4) to the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(5) in accordance with recognized professional standards, testing and evaluation materials, and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(6) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 2. Minnesota Statutes 1991 Supplement, 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 (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.

(f) The decision of the hearing officer pursuant to clause (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 (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.

(g) Any local decision issued pursuant to clauses (e) and (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 ~~60~~ 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(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.

(i) The commissioner of education shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer:

(1) the 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;

(3) the individual must not have been employed as an administrator by the district that is a party to the hearing;

(4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(5) the 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;

(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal; 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. 3. Minnesota Statutes 1990, section 120.17, subdivision 8a, is amended to read:

Subd. 8a. [RESIDENCE OF CHILD UNDER SPECIAL CONDITIONS.] The legal residence of a handicapped child placed in a foster facility for care and treatment when: (1) parental rights have been terminated by court order; (2) parent or guardian is not living within the state; or (3) no other school district residence can be established, or (4) parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections; shall be the school district in which the child resides. The school board of the district of residence shall provide the same educational program for such child as it provides for all resident handicapped children in the district.

Sec. 4. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least 15 members but not more than 25 is established, in compliance with Public Law Number 102-119, section 682. The members and the chair shall be appointed by the governor. Council members shall elect the council chairperson. The representative of the commissioner of education may not serve as the chairperson. The council shall be composed of at least three five parents, including persons of color, of children with disabilities under age seven with handicaps 12, including at least three parents of a child with a disability under age seven, three representatives of public or private providers of services for children with disabilities under age five with handicaps, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, 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 disabilities under age five with handicaps, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. 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 disabilities 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 disabilities 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. Appro-

priate 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 June 1, the council shall submit its recommendations recommend to the governor and the commissioners of education, health, and human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Sec. 5. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL DISTRICTS.] It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate early intervention services, and to facilitate payment for services from public and private sources. Appropriate services for eligible children under section 120.03 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must conform with an individual family service plan (IFSP) for each eligible infant and toddler from birth through age two and their family, or an individual education plan or individual service plan for each eligible child between ages three and five. Appropriate early intervention services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, service coordination, medical services for diagnostic and evaluation purposes, early identification and screening, child and family assessment, and health services necessary to enable children with disabilities and their families to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Sec. 6. Minnesota Statutes 1990, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for handicapped children with disabilities under age five and their families. Members of the committee shall be representatives of local and regional health, education, and county human service agencies;

county boards; school boards; early childhood family education programs; current service providers; parents of young ~~handicapped~~ children with disabilities under age 12; and other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for ~~handicapped~~ children with disabilities under the age of five and their families;

(2) establish and evaluate the identification, referral, child and family assessment systems, service coordination, procedural safeguards, and community learning systems to and recommend, where necessary, alterations and improvements;

(3) facilitate ~~the development of~~ developing individualized family service plans (IFSP's) for all eligible infants and toddlers with disabilities under section 120.03, from birth through age two and their families, or individual education plans and individual service plans when necessary to appropriately serve ~~handicapped~~ children under the age of with disabilities between ages three and five and their families and;

(4) recommend ~~assignment of~~ assigning financial responsibilities to the appropriate agencies;

(4) (5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(5) (6) review and comment on the early intervention section of the total special education system for the district and on the county social services plan; and

(6) (7) facilitate ~~the development of~~ developing a transitional plan if a service provider is not recommended to continue to provide services.

The departments of education, health, and human services are encouraged to ~~provide assistance to the~~ assist local agencies in developing cooperative service plans for providing services.

Sec. 7. Minnesota Statutes 1990, section 120.17, subdivision 14, is amended to read:

Subd. 14. [MAINTENANCE OF EFFORT.] A county human services agency or county board shall continue to provide services ~~set forth contained~~ in their county social service agency plan ~~for handicapped.~~ The agency or board shall serve children with disabilities under age five and their families ~~or~~ as specified in the

individualized family service plan for children with disabilities from birth through age two or the individual service plan and individual habilitation plan of each child. Special instruction and services for which a handicapped child with a disability is eligible under this section are not the responsibility of the local human services agency or county board. It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services not required under this section and to facilitate payment for services from public and private sources. School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for handicapped children under age five and their families.

Sec. 8. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

Subd. 15a. [PROCEDURAL SAFEGUARDS.] (a) This subdivision applies only to infants and toddlers with disabilities from birth through age two and their families. Notwithstanding other law to the contrary, the county boards and school districts providing early intervention services under subdivision 11b, including special education instructions and related services under subdivision 1 and medical assistance services under chapter 256B, shall provide parents, guardians, and surrogate parents of eligible children with the procedural safeguards described in this subdivision.

(b) The parent has the right to inspect and review early intervention records according to the Minnesota data practices act and Code of Federal Regulations, title 34, sections 300.560 to 300.576. A parent or guardian may inspect and review evaluations and assessments, eligibility determinations, documents about developing and implementing IFSP's, individual complaints about the child under subdivision 16, clause (6), and any other information about the child or family generated under this section.

(c) The parent has the right to prior notice of a proposed action in the parent's native language, according to Code of Federal Regulations, title 34, section 303.403.

(d) The parent has the opportunity to give consent to a proposed action, according to Code of Federal Regulations, title 34, section 303.404.

(e) An eligible child has the right to have a surrogate parent appointed, according to Code of Federal Regulations, title 34, section 303.405 and state board of education rules.

(f) The parent has the right to resolve any individual child complaint through mediation. If a parent and a public agency do not agree on the identification, evaluation, or placement of an eligible child, appropriate early intervention services, or the assignment of

financial obligations, the parent may request mediation services using the process established by the commissioner of education under subdivision 3b, paragraph (d). If the parent agrees to mediation, all public agencies involved in the matter shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 20 days of the date the commissioner receives the request for mediation. The mediation process must not be used to delay a parent's right to an impartial complaint resolution process. The resolution of the mediation is not binding on any party.

The commissioner must assume the cost of the mediator and must use available federal funds for such expenditures.

(g) The parent has the right to resolve an individual child complaint through an impartial complaint resolution process, according to Code of Federal Regulations, title 34, sections 303.420 to 303.423.

(1) A parent may file a written complaint about an action of a public agency or service provider, according to Code of Federal Regulations, title 34, section 303.403.

(2) The written complaint shall:

(i) be signed by the parent or guardian;

(ii) describe the circumstances giving rise to the complaint; and

(iii) be filed with the school district and the commissioner.

(3) The commissioner shall confirm in writing to the parent and all other parties to the complaint within five working days that the commissioner received the complaint.

(4) The commissioner shall appoint an administrative law judge from the office of administrative hearings to conduct the complaint resolution procedure, according to Code of Federal Regulations, title 34, section 303.421.

(5) The complaint resolution procedure must be carried out according to Code of Federal Regulations, title 34, section 303.423.

(6) A parent involved in an administrative proceeding must be informed of the right to due process during the hearing, according to Code of Federal Regulations, title 34, section 303.422.

(7) The office of administrative hearings shall mail the written decision of the administrative law judge to each party to the complaint and to the commissioner not later than 30 days after the

commissioner receives the complaint. The decision of the administrative law judge is binding on all parties.

(8) An aggrieved party may appeal the decision of the administrative law judge by bringing a civil action in state or federal court, according to Code of Federal Regulations, title 34, section 303.425.

(9) The status of the services and programs the child receives during the proceedings shall be determined according to Code of Federal Regulations, title 34, section 303.425.

(10) The commissioner shall, after removing personally identifiable information, transmit to the interagency coordinating council the final decisions on all complaints, and make the decisions available to the public in a manner consistent with state and federal confidentiality requirements.

(11) The commissioner shall use available federal funds to pay the cost of the administrative law judge.

(h) An individual or organization is entitled to have a complaint concerning an early intervention system reviewed according to the procedures in this paragraph.

(1) The commissioner shall receive and coordinate the review of a complaint alleging that one or more requirements of Code of Federal Regulations, title 34, part 303, is not being met.

(2) The commissioner shall refer the complaint to the commissioner of health or human services if the complaint involves services delivered under that commissioner's jurisdiction.

(3) A complaint may allege a violation by:

(i) any public agency in the state that receives funding under Code of Federal Regulations, title 34, part 303;

(ii) any public agency that is part of the state's early intervention system; or

(iii) any private service provider providing early intervention services under public supervision.

(4) An individual or organization may file a signed complaint with the commissioner of education, according to Code of Federal Regulations, title 34, sections 303.511 and 303.512.

(5) The commissioner shall, after removing personally identifiable information, transmit to the interagency coordinating council the final decisions on all complaints and make the decisions available to

the public consistent with state and federal confidentiality requirements.

Sec. 9. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

Subd. 15b. [RESOLUTION OF DISPUTES BETWEEN STATE AGENCIES.] (a) "State dispute" means a disagreement between state health, human services, or education agencies about implementing a state level program or service affecting early intervention services.

(b) The commissioners of health, education, and human services shall, by July 1, 1992, develop a joint dispute resolution process to resolve a state dispute within 30 days. The commissioners shall inform local agencies, parent organizations, IEIC's, and the state interagency coordinating council of the state dispute resolution process.

Sec. 10. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

Subd. 15c. [RESOLUTION OF DISPUTES BETWEEN LOCAL AGENCIES.] (a) "Local dispute" means a disagreement between a local school district and a county health or human services board about which agency is responsible for providing early intervention services under subdivisions 11a to 15c.

(b) If local agencies are unable to resolve a local dispute:

(i) the local district must convene the local interagency early intervention committee to review the matter and recommend assigning financial responsibility to the appropriate agency under subdivision 12, clause (3);

(ii) the parties may initiate binding arbitration procedures or may request mediation services from the commissioner; and

(iii) if a dispute is not resolved within 30 days, the local district must ask the commissioner to review the matter with the commissioners of health and human services. The commissioners' decision is final and binding.

(c) While a local dispute is pending, the local interagency early intervention committee shall either assign financial responsibility to an agency to pay for the service or the committee shall pay for the service. If in resolving the dispute, the committee determines that the assignment of financial responsibility was inappropriate, the responsibility for payment must be reassigned to the appropriate

agency and arrangements made for reimbursing any expenditures incurred by the agency originally assigned financial responsibility.

(d) Each local interagency early intervention committee shall develop procedures to ensure that eligible children and their families receive services in a timely manner pending the resolution of disputes among service providers.

(e) The commissioner shall, after removing personally identifiable information, transmit to the interagency coordinating council all final decisions regarding interagency disputes resolved by the state and make the decisions available to the public consistent with state and federal confidentiality requirements.

Sec. 11. Minnesota Statutes 1990, section 120.17, subdivision 16, is amended to read:

Subd. 16. [COMMUNITY TRANSITION INTERAGENCY COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish a community transition interagency committee for handicapped youth with disabilities, beginning at grade 9 or age equivalent, and their families. Members of the committee shall consist of representatives from special education; vocational and regular education; community education; post-secondary education and training institutions; adults with disabilities who have received transition services if such persons are available; parents of handicapped youth with disabilities; local business or industry; rehabilitation services; county social services; health agencies; and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) identify current services, programs, and funding sources provided within the community for secondary and post-secondary aged handicapped youth with disabilities and their families;

(2) facilitate the development of multiagency teams to address present and future transition needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that transition needs of handicapped individuals with disabilities are met;

(4) recommend changes or improvements in the community system of transition services;

(5) exchange agency information such as appropriate data, effec-

tiveness studies, special projects, exemplary programs, and creative funding of programs; and

(6) following procedures determined by the commissioner, prepare a yearly summary assessing the progress of transition services in the community and disseminate it including follow-up of individuals with disabilities who were provided transition services to determine post-school outcomes. The summary must be disseminated to all adult services agencies involved in the planning and to the commissioner of education by September October 1 of each year.

Sec. 12. Minnesota Statutes 1991 Supplement, section 120.181, is amended to read:

120.181 [TEMPORARY PLACEMENTS FOR CARE AND TREATMENT PLACEMENT OF NONHANDICAPPED PUPILS; EDUCATION AND TRANSPORTATION.]

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:~~ as provided in this section.

(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. The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

(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. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching.

(e) The district of residence shall receive general education aid for include the pupil in its residence count of pupil units and pay tuition and other instructional costs, excluding transportation costs, as provided in section 124.18 to the district providing the instruction. Transportation costs shall be paid by the district providing the transportation 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. 13. [121.1105] [SOLE STATE AGENCY.]

Beginning July 1, 1993, the state board of education is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. Beginning July 1, 1992, the state board of education and the state board of technical colleges shall begin the process for transferring authority to receive and disburse the federal funds to the state board of education by June 30, 1993. The state board of education shall develop the state plan according to terms of agreement with the state board of technical colleges.

Sec. 14. Minnesota Statutes 1990, section 124.331, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of sections 124.331 to 124.333 is to improve the education of public school pupils by:

(1) working toward reducing instructor-learner ratios and increasing the amount of individual attention given each learner in kindergarten and through grade 4 3 to help each learner develop socially and emotionally and in knowledge, skills, and attitudes; and

(2) improving program offerings.

Sec. 15. Minnesota Statutes 1990, section 124.331, subdivision 3, is amended to read:

Subd. 3. [STATE REVENUE CRITERIA.] Revenue available under section 124.332 is to enable a district to work to achieve the district's instructor-learner ratios in kindergarten ~~and through~~ grade 1 3 established by the curriculum advisory committee in each district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and through~~ grade 1 3. A district must not increase the districtwide instructor-learner ratios in grades 2 4 through 8 as a result of reducing instructor-learner ratios in kindergarten ~~and through~~ grade 1 3.

A district's curriculum advisory committee, as part of the policy under section 126.666, must develop a districtwide plan to work to achieve the instructor-learner ratios in kindergarten ~~and through~~ grade 1 3 adopted by the school board of the district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and through~~ grade 1 3. If the school board of a school district determines that the district has achieved and is maintaining the instructor-learner ratios specified by the district's curriculum advisory committee, and has prepared and is using individualized learning plans, the school board must direct the school district to use the aid it receives under section 124.332 to work to improve program offerings throughout the district, or the education district of which the district is a member, based upon a plan developed by the district's curriculum advisory committee.

Sec. 16. Minnesota Statutes 1991 Supplement, section 125.62, subdivision 6, is amended to read:

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~~ congressional methodology for needs determination or as otherwise set in federal law.

A person who has actual living expenses in addition to those

addressed by the ~~uniform congressional~~ methodology for needs determination, ~~or as otherwise set in federal law~~, 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.

Sec. 17. Minnesota Statutes 1991 Supplement, 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, and programs serving children in combined special education and regular prekindergarten programs that are operated by the commissioner of education or a public school as defined in section 120.101, subdivision 4 120.05;~~

(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, 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~~ prekindergarten 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. 18. Laws 1991, chapter 265, article 3, section 39, subdivision 16, is amended to read:

Subd. 16. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:

\$190,000 1992

\$190,000 1993

~~Up to~~ Initially \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

~~Up to~~ Initially \$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.

Sec. 19. Laws 1991, chapter 265, article 7, section 44, is amended to read:

Sec. 44. [EFFECTIVE DATE.]

Section 8 is effective July 1, 1993. Section 20 is effective August 1, ~~1994~~ 1995.

Sec. 20. [BASE ADJUSTMENT.]

Upon request of a school district that is eligible for and receives alternative delivery revenue under Minnesota Statutes, section 124.322, the commissioner of education shall adjust the district's revenue base and revenue for fiscal years 1992 and 1993 to reflect any new service requirements imposed upon the district. The adjustments shall be made to the district's aid and levy. However the

adjustment must not result in a reduction in state aid to any other district.

Sec. 21. [FEDERAL FUND DISBURSAL.]

Notwithstanding Laws 1991, chapter 356, article 1, section 3, subdivision 4, or any other law to the contrary, the state board of education shall establish the process for allocating Carl D. Perkins Act funds in fiscal year 1994 and later years. The state board of education may accept the plan prepared in fiscal year 1993 or prepare a new plan for allocating Carl D. Perkins Act funds in consultation with the state board of vocational technical education.

Sec. 22. [ALLOCATION OF FUNDS.]

In the Northwest ECSU region, the commissioner of education shall allocate federal funds for the regional special education low incidence plans in a manner consistent with the recommendation of a majority of the school boards in the region. The allocation method must provide access for all districts in the region to the services supported by the funds.

Sec. 23. [REPEALER.]

Minnesota Statutes 1990, section 136C.06, is repealed July 1, 1993, subject to section 24, paragraph (c).

Sec. 24. [EFFECTIVE DATE.]

(a) Sections 4 to 10 and 20 are effective the day following final enactment.

(b) Sections 13 and 21 are effective May 1, 1992, only if the state board of technical colleges and the state board of education are unable to establish a mutually satisfactory process for allocating the Carl D. Perkins funds as required under Laws 1991, chapter 356, article 1, section 3, subdivision 4.

(c) To preclude sections 13, 21, and 23 from taking effect, the two boards shall jointly sign, date, and file with the commissioners of education and finance before May 1, 1992, a written statement declaring that the boards have established a mutually satisfactory process for allocating the federal funds.

ARTICLE 4

CHILDREN, YOUTH, AND COMMUNITY EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 121.831, is amended to read:

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 offered by the resident district or another district 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 receives developmental screening program according to under section 123.702 within 90 days of enrolling in the program.

~~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 meet the needs of participating families by coordinating existing social services to provide for the needs of participating families programs and for by fostering collaboration with among agencies or other community-based organizations providing services to and programs that serve families with young children;

(2) a development and learning component to help a child develop socially, intellectually, physically appropriate social, intellectual, and physical skills, and emotionally in a manner appropriate to the child emotional well-being;

(3) health referral services to address the children's medical, dental, mental health, and nutritional needs of the children;

(4) a nutrition component to meet the children's daily nutritional needs of the children; and

(5) parents' involvement of parents in the educational meeting children's education, health, social service services, and other needs of the children.

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs ~~may include the following~~ are encouraged to:

(1) prepare an individualized service plan to meet the individual needs of each child ~~child's developmental and learning needs;~~

(2) ensure participation by families who are representative of represent the racial, cultural, and economic diversity of the community;

(3) provide parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;

(4) foster substantial parent involvement, that may include develop having parents develop curriculum or serving serve as a paid or volunteer educator, resource person, or other staff;

(5) identification of identify the needs of families with respect to in the context of 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 develop a coordinated system of services available to all eligible children and their families with eligible children;

(7) coordination of coordinate treatment and follow-up services for all children's identified physical and mental health problems;

(8) develop staff and program resources, including interpreters, that reflect the racial and ethnic population characteristics of the children participating in the program;

(9) offer transportation for eligible children and their parents families for whom other forms of transportation are not available unavailable or would constitute an excessive financial burden; and

(10) make substantial outreach efforts to assure participation by families with the greatest needs.

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] ~~When- ever possible, A district may is encouraged to contract with a public organization or nonprofit organization providing to provide eligible children developmentally appropriate services meeting one or more of that meet the program requirements in subdivision 3, clauses (1) to (4). In the alternative, a district may also pay tuition or fees to place an eligible child in an existing program or. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. 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~~ restrict participation to district residents of the district.

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] The district shall ~~optimize coordination of~~ coordinate the learning readiness program with existing ~~service~~ community-based social services providers located in the community and foster collaboration among agencies and other community-based organizations and programs, including Head Start, that serve families with young children. To the extent possible, resources shall follow the children ~~based on the services needed,~~ so that children have received appropriate services in a stable environment and are not moved from one program location to program another. Where geographically feasible, the district shall actively promote colocating programs and services for children and their families.

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council ~~which~~ composed of members of existing boards, parents of participating children, and representatives of early childhood service providers. The council 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. If the school board is unable to appoint to the advisory council members of existing boards, it 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~~ greatest 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. The cumulative record is private data under chapter 13.

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 that reflect the eligibility criteria contained in subdivision 3. The board shall consider including in those standards the program characteristics described in subdivision 4.

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.

Sec. 2. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1, is amended to read:

Subdivision 1. (a) Every school board shall provide for a mandatory program of early childhood developmental screening for children 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. This screening examination is a mandatory prerequisite to enrolling requirement for a student to be enrolled 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 developmental screening programs by utilizing volunteers in implementing the program.

(b) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening shall not be required.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled in this state in kindergarten or first grade in a public school until unless 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 within 30 days of enrollment. 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.

Sec. 4. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1b, is amended to read:

Subd. 1b. (a) A screening program shall include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's 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. The school district and the person performing or supervising the screening shall provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice shall clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the school district and the person performing or supervising the screening must convey the information in another manner. The notice shall also inform the parent or guardian that a child need not submit to the school district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. No developmental screening program shall provide laboratory tests; ~~a health history~~ or a physical examination to any child. 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.

(c) If a child is without health coverage, the school district shall refer the child to an appropriate health care provider.

(d) A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, ~~and~~

laboratory tests, and health history. State aid shall not be paid for additional components.

Sec. 5. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 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 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.~~ Average daily membership for a pupil must not exceed one, unless:

(1) a pupil participates in a learning year program under section 121.585;

(2) a pupil's regular graduating class has already graduated; or

(3) a pupil needs additional course credits in order to graduate on time.

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. 6. Minnesota Statutes 1991 Supplement, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] Any adult basic education program that receives less state aid under ~~subdivision~~ subdivisions 3 and 7 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Sec. 7. Laws 1991, chapter 265, article 4, section 30, subdivision 11, is amended to read:

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~~ technical and administrative assistance.

Sec. 8. [EFFECTIVE DATE.]

Section 5 is effective July 1, 1992, and applies to 1992-1993 and later school years. Section 7 is effective the day following final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 3, is amended to read:

Subd. 3. [NEGATIVE REVIEW AND COMMENT.] (a) If the commissioner submits a negative review and comment for a proposal according to section 121.15, the school board must not proceed with construction. the following steps must be taken:

(1) the commissioner must notify the school board of the proposed negative review and comment and schedule a public meeting within 60 days of the notification within that school district to discuss the proposed negative review and comment on the school facility; and

(2) the school board shall appoint an advisory task force of up to five members to advise the school board and the commissioner on the advantages, disadvantages, and alternatives to the proposed facility at the public meeting. One member of the advisory task force must also be a member of the county facilities group.

(b) After attending the public meeting, the commissioner shall reconsider the proposal. If the commissioner submits a negative review and comment, the school board may appeal that decision to the state board of education. The state board of education may either uphold the commissioner's negative review and comment or instruct the commissioner to submit a positive or unfavorable review and comment on the proposed facility.

(c) A school board may not proceed with construction if the state board of education upholds the commissioner's negative review and comment or if the commissioner's negative review and comment is not appealed.

Sec. 2. Minnesota Statutes 1990, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals the lesser of:

(1) \$130 times its actual pupil units for the school year; or

(2) the difference between \$400 times the actual pupil units for the school year and. A district's capital expenditure facilities revenue for a school year shall be reduced if the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year. For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year is zero exceeds \$270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities account on June 30 of the prior

year exceeds \$270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities revenue for that year.

Sec. 3. Minnesota Statutes 1990, section 124.243, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTION TO FUND BALANCE REDUCTION.] A district may apply to the commissioner for approval for an unreserved fund balance in its capital expenditure facilities account that exceeds \$270 per fund balance pupil unit for a period not to exceed three years. If the commissioner approves the district's application, the district's capital expenditure facilities revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's capital expenditure facilities funds are consistent with plans adopted according to subdivision 1.

Sec. 4. Minnesota Statutes 1990, section 124.431, is amended by adding a subdivision to read:

Subd. 1a. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate after debt service equalization aid would be more than 20 percent of adjusted net tax capacity.

Sec. 5. Minnesota Statutes 1990, section 124.493, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY COMMISSIONER.] To the extent money is available, the commissioner of education may approve not more than two pilot projects from applications submitted under section 124.494. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative secondary facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.493, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS COOPERATION AND COMBINATION.] Districts that apply for receive 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 hold a referendum on the question of combination no later than four years after a grant is awarded under section 124.493, subdivision 1.

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. 7. Minnesota Statutes 1990, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least ~~240~~ 198 pupils would be served in grades 10 to 12, ~~320~~ 264 pupils would be served in grades 9 to 12, or ~~480~~ 396 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district; and

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical; and

(11) a plan is developed that provides for the location within the cooperative secondary facility of health, social service, and other programs serving pupils and community residents.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purpose of paragraph (a), clause (8), each school district must be considered to have started school each year on the same date.

Sec. 8. Minnesota Statutes 1990, section 124.494, subdivision 4, is amended to read:

Subd. 4. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On July 1 of 1989, the commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than one month. On July 1, 1992, the commissioner shall make awards to no more than (1) the group of districts consisting of independent school districts No. 240, Blue Earth; No. 225, Winnebago; No. 219, Elmore; and No. 218, Delevan, if that group has submitted an application and if the application has been approved; and (2) one other qualified applicant. Applications must be filed on or before June 1, 1992, for the July 1, 1992, grant award consideration. A grant award is subject to verification by the joint powers districts as specified in subdivision 6. A grant award must not be made until the site of the secondary facility has been determined. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Sec. 9. Minnesota Statutes 1990, section 124.494, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM; BOND ISSUE.] Within ~~90~~ 180 days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept the grant and to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the question is approved by the voters, the commissioner shall notify the approved applicant districts that the grant amount certified under subdivision 4 is available and appropriated for payment under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 10. Minnesota Statutes 1991 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, including an intermediate district, must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire code compliance, ~~or~~ life safety repairs, repairs necessary to comply with inspections conducted by the Minnesota department of labor and industry under chapter 182, or payment of fines imposed on the district by the department of labor and industry. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost of the program by fiscal year.

Sec. 11. Minnesota Statutes 1990, section 124.83, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PROGRAM.] A district may adopt a health and safety program. The program may include plans for hazardous substance removal, fire code compliance, ~~or~~ life safety repairs, or repairs necessary to eliminate a violation under chapter 182.

(1) A hazardous substance plan must contain provisions for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296.01. If a district has already developed

a plan for the removal or encapsulation of asbestos, a new plan is not necessary for purposes of this section. The plan must also contain provisions to make modifications to existing facilities and equipment necessary to limit employee exposure to hazardous substances, as defined and regulated by the federal Occupational Safety and Health Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or chapter 182; or as otherwise determined by the commissioner to present a significant risk to district staff or student health and safety.

(2) A fire safety plan must contain a description of the current fire code violation, a plan for the removal or repair of the fire hazard, and a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected.

(3) A life safety plan must contain a description of the life safety hazard and a plan for its removal or repair.

(4) A facilities and equipment violation plan must contain provisions to correct health and safety hazards according to department of labor and industry standards under section 182.655.

Sec. 12. Minnesota Statutes 1990, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, health, facility, and equipment hazards according to chapter 182, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property or part of a building or property used for post-secondary instruction or administration or for a purpose unrelated to elementary and secondary education.

Sec. 13. Minnesota Statutes 1990, section 124.83, is amended by adding a subdivision to read:

Subd. 8. [CONSULTATION.] The commissioner shall develop material and training resources to assist school districts with management of health, safety, and environmental programs including, but not limited to, the department of labor and industry's standards for hazard recognition and voluntary compliance.

Sec. 14. Minnesota Statutes 1990, section 124.83, is amended by adding a subdivision to read:

Subd. 9. [HEALTH, SAFETY, AND ENVIRONMENTAL AUDITS.] The commissioner of education shall develop a plan to audit school district compliance with current state and federal health, safety, and environmental standards and rules for which use of health and safety revenue is authorized under subdivision 6. The commissioner shall supply a report of the results from each audit and suggest responses to deficiencies to the local school board for their action. Audits shall occur in each public school facility at a frequency not greater than once every four years.

Sec. 15. Minnesota Statutes 1990, section 124.83, is amended by adding a subdivision to read:

Subd. 10. [CONTRACTING.] The commissioner may contract with the Minnesota safety council, the department of labor and industry, the pollution control agency, or private service providers for purposes of implementing subdivisions 8 and 9.

Sec. 16. Minnesota Statutes 1990, section 124.83, is amended by adding a subdivision to read:

Subd. 11. [FINES.] Fines paid by school districts under section 182.666, subdivision 7, are appropriated to the commissioner of education for the purposes of subdivisions 8, 9, and 10.

Sec. 17. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 1, is amended to read:

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, excluding obligations under section 124.2445, of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, 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 debt service excess for that school year calculated according to the procedure established by the commissioner.

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for debt service equalization revenue, the following conditions must be met The following portions of a district's debt service levy qualify for debt service equalization:

(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 debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds issued before July 2, 1992 and refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bond issues approved after July 1, 1990 1992, the for construction preject must projects that have received a positive review and comment according to section 121.15; if

(3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and

(4) except that the district may serve, on average, at least 66 pupils per grade, and if the bond schedule must be has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.95, is amended by adding a subdivision to read:

Subd. 2a. [NOTIFICATION.] A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount of its intended debt service levy calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Sec. 20. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 3, is amended to read:

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 ten 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).

Sec. 21. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 4, is amended to read:

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 prior to the year the levy is certified; or to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 22. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 5, is amended to read:

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. If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.

Sec. 23. [124.9601] [DEBT SERVICE APPROPRIATION.]

\$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$14,000,000 in fiscal year 1994 and \$21,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. These amounts must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 24. Minnesota Statutes 1990, section 182.666, subdivision 6, is amended to read:

Subd. 6. Only the commissioner shall have authority to assess all proposed fines provided in this section, giving due consideration to the appropriateness of the fine with respect to the size of the business of the employer, the gravity of the violation, the good faith of the employer, and the history of previous violations. Fines imposed on school districts are reduced by the amount necessary to correct the violations cited. Proposed fines assessed against a district shall

be waived when the district has not been subject to an inspection or received consultation under section 182.673 within five years before the citation.

Sec. 25. Minnesota Statutes 1990, section 182.666, subdivision 7, is amended to read:

Subd. 7. Fines imposed under this chapter shall be paid to the commissioner for deposit in the general fund ~~and. Fines imposed on school districts in the amount of the fines assessed by the commissioner less the amount necessary to correct the combined violations cited, notwithstanding other rights provided an employer under this chapter, shall be paid to the commissioner of education.~~ Fines may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Unpaid fines shall be increased to 125 percent of the original assessed amount if not paid within 60 days after the fine becomes a final order. After that 60 days, unpaid fines shall accrue an additional penalty of ten percent per month compounded monthly until the fine is paid in full.

Sec. 26. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 11h. [EXTRA CAPITAL EXPENDITURE LEVY FOR CERTAIN LEASE PURCHASES.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 11d, a district, as defined in this subdivision, may:

(1) purchase real property under an installment contract or may lease real property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(3) The district may terminate the installment contract or lease purchase agreement at the end of any fiscal year during its term.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 11d, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

Sec. 27. Minnesota Statutes 1991 Supplement, section 373.42, subdivision 2, is amended to read:

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. Under this section, a school district is located within a county if it has an administrative office or a facility or a planned facility under section 121.15 in the county.

Sec. 28. Laws 1991, chapter 265, article 5, section 18, is amended to read:

Sec. 18. [BONDS FOR CERTAIN CAPITAL FACILITIES.]

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 392, Le Center, 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 accessi-

bility 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. 29. Laws 1991, chapter 265, article 5, section 23, is amended to read:

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 delin-

quency 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; or

(4) the district could have applied for an additional capital loan during calendar year 1990 or 1991 but chose not to apply.

(b) The amount of the excess that may be forgiven may not exceed \$200,000 \$275,000 in a single year for any district.

Sec. 30. Laws 1991, chapter 265, article 5, section 24, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$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.

Up to \$250,000 of the fiscal year 1993 appropriation may be used for the purposes of sections 13, 14, and 15. This amount is reduced by any payments received under sections 16 and 25.

Sec. 31. [HEALTH AND SAFETY PLAN; RICHFIELD.]

Notwithstanding other law, independent school district No. 280, Richfield, to pay off its pre-1989 fire safety loan from the city of Richfield, may revise the health and safety part of the district's capital plan to include the principal and interest on the loan

payment, now funded by the facilities part, with the result that the loan principal and interest will be paid off before July 1, 1995.

Sec. 32. [FUND BALANCE LIMIT EXCEPTION.]

Notwithstanding Minnesota Statutes, section 124.243, subdivision 2, the capital expenditure facilities revenue for special school district No. 6, South St. Paul, for fiscal years 1992, 1993, and 1994 must not be reduced because of the district's fund balance.

Sec. 33. [LEVY AND AID ADJUSTMENTS.]

The department of education shall adjust the levy limits and aid payments for special school district No. 6, South St. Paul, according to section 32. Adjustment to the school district levy may be spread over three years.

Sec. 34. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies only to newly authorized bonding authority granted under Laws 1990, chapter 604, article 8, section 9, and applies only to such bonds issued for calendar years 1993 to 1996.

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 for calendar years 1993 to 1996 only after complying with the requirements of subdivision 2.

Sec. 35. [CAPITAL LOAN USES.]

Notwithstanding any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may recognize an amount not to exceed \$325,000 from its maximum effort capital loan as capital expenditure equipment revenue. This amount is available to the district and does not return to the state.

Sec. 36. [HEALTH AND SAFETY LEVY.]

For taxes payable in 1993, the total levy for the capital expenditure health and safety program may not exceed \$70,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount of levy authority. The criteria may not discriminate between the number of pupils in and the geographic location of school districts.

Sec. 37. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1992 levy for taxes payable in 1993 for each school district by the amount of debt service equalization aid received by the district for fiscal year 1993.

Sec. 38. [REPEALER.]

Laws 1990, chapter 604, article 8, section 12, is repealed the day following final enactment.

Section 26 is repealed July 1, 1995. Levies may continue to be made under section 26 until installment contracts and lease purchase agreements have been satisfied.

Sec. 39. [EFFECTIVE DATE.]

Sections 5, 6, 7, 8, 28, 29, 32, 33, 34, 35, and 38 are effective the day following final enactment.

Sections 2 and 3 are effective the day following final enactment and apply to 1991-1992 and later school years.

Section 1 is effective July 1, 1992, and applies to school facilities projects submitted to the commissioner on or after July 1, 1992.

ARTICLE 6

ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1991 Supplement, 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 ~~must be provided~~ districts are required to provide to the department, the reports which regional management information centers are required to provide to the department for their affiliated districts, and the dates these reports are due.

Sec. 2. Minnesota Statutes 1991 Supplement, 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, or where it shall be assembled and transmitted to the department in the form and format prescribed by the department.

Sec. 3. Minnesota Statutes 1991 Supplement, 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 shall not come into existence until the first July 1 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 of a center created after June 30, 1991,~~ shall be a current member of a member school board.

Sec. 4. Minnesota Statutes 1991 Supplement, 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 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 obligation. The district is not liable for any additional outstanding regional obligations that 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 preceeding the year the district transfers.

Sec. 5. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 9. [INFORMATION SERVICES.] Regional management information centers may provide financial management information services to cities, counties, towns, or other governmental units at mutually negotiated prices.

Sec. 6. Minnesota Statutes 1991 Supplement, 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~~ two 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.

Notwithstanding clause (e), a school district may dissolve in an even-numbered year if the school board and the exclusive representative of the teachers in each affected district agree on the effective date of the dissolution. The agreement must be in writing and submitted to the commissioner of education.

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. 7. Minnesota Statutes 1990, section 122.22, is amended by adding a subdivision to read:

Subd. 21. A district proceeding with, or newly enlarged under dissolution and attachment, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who retire early as a result of dissolution. The levy must be approved by the commissioner of education.

Sec. 8. Minnesota Statutes 1991 Supplement, 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 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~~ 16;

(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;

(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;

(4) that the board of the newly created district consist of seven or more members and that the board will be reduced to six or seven members within four years after the effective date of the consolidation; 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:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 9. Minnesota Statutes 1990, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue

an order setting a date for the effective date of the change. The effective date shall be at least ~~three~~ two months after the day when the date must be set, and shall be July 1 of an odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 10. Minnesota Statutes 1990, section 122.23, is amended by adding a subdivision to read:

Subd. 20. A consolidating or consolidated district may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who retire early as a result of the consolidation. The levy must be approved by the commissioner of education.

Sec. 11. Minnesota Statutes 1991 Supplement, 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; and

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, 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. 12. Minnesota Statutes 1991 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] 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 districts shall modify their cooperation and combination plan. A third referendum may be conducted on any date before October 1. If a second or third referendum is conducted after October 1, the newly combined district may not levy under section 124.2725 until the following year. Referendums shall be conducted on the same date in all districts.

Sec. 13. Minnesota Statutes 1991 Supplement, section 122.531, subdivision 4a, is amended to read:

Subd. 4a. [REORGANIZATION OPERATING DEBT LEVIES.] (a) A district that is cooperating receives revenue under section 124.2725 for cooperation or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section 121.915, 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

(1) only on the property in the combined district that would have been taxable in the preexisting district that incurred the debt, or

(2) 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 121.915, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either only

(1) only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the newly created or enlarged district.

Sec. 14. Minnesota Statutes 1990, section 122.532, subdivision 2, is amended to read:

Subd. 2. (a) As of the effective date of any consolidation or the dissolution of any district and its attachment to one or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the school board and the exclusive representative of teachers in each school district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

Sec. 15. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 12. [SERVICES.] Educational cooperative service units may provide administrative, purchasing, and data processing services to cities, counties, towns, or other governmental units at mutually negotiated prices.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124.2721, subdivision 3b, is amended to read:

Subd. 3b. [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 2a 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~~ an amount ~~in~~ in clause (4) equal to \$50 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. 17. Minnesota Statutes 1990, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a ~~second~~ third referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal ~~\$60~~ \$50 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been ~~\$60~~ \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been ~~\$60~~ \$50 times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. [~~ALTERNATIVE~~ LEVY AUTHORITY.] (a) For fiscal years prior to fiscal year 1996, 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 special education and secondary vocational education 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~~ Five-elevenths 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. When a school district joins or withdraws from an intermediate school district after July 1, 1991, the department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.

This subdivision expires July 1, 1995.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 7. [LEVIES FOR CERTAIN PROGRAMS.] For fiscal year 1996 and thereafter, a school district may levy an intermediate school district levy if the property in the school district was subject to taxation by or on behalf of an intermediate school district for taxes payable in 1994.

The intermediate school district levy is equal to the greater of:

(1) the product obtained by multiplying five-sixths of the levy certified by the intermediate school district for taxes payable in 1989 by the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the intermediate district; or

(2) the lesser of (i) 1.43 percent of the adjusted net tax capacity of the school district, or (ii) \$50 times the actual pupil units in the school district.

Sec. 20. Minnesota Statutes 1991 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 8. [CERTIFICATES OF INDEBTEDNESS.] After a levy has been certified according to subdivision 6 or 7, an intermediate school board may issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 21. Minnesota Statutes 1990, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

“Public employer” means:

(1) a school district; and

(2) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 275.125.

“Teacher” means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

State aid shall also not be reduced if a school board and the exclusive representative of the teachers in a district that has reorganized under section 122.22 or 122.23 both sign a collective

bargaining agreement on or before March 15 of an even-numbered calendar year and the effective date of consolidation under section 122.23 or dissolution and attachment under section 122.22 for the district is July 1 of the previous calendar year.

(c) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 22. Minnesota Statutes 1991 Supplement, section 136D.22, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.] (a) No school district shall be required ~~by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period in excess of one fiscal year longer than that set forth in this subdivision.~~ 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 June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, 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 an intermediate district, the a 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, unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.

(d) (c) In addition to the requirements of section 136D.281, 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 subdivision and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each participating school board of a participating school district of the contents of the resolution. Within 120 60 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; or
- (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) (2) is not liable for the bonded indebtedness or other debt as proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.

(e) After June 5, 1991 (d) Except as provided in paragraph (c), a school district is that withdraws from the intermediate district remains 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 bonds are retired or the debt is discharged and only according to the payment schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, 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.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 23. Minnesota Statutes 1991 Supplement, section 136D.71, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period in excess of one fiscal year longer than that set forth in this subdivision. 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 June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, 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 an intermediate district, the a 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, unless the withdrawing school district and the intermediate district agree

to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.

~~(d)~~ (c) In addition to the requirements of section 136D.741, 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~~ subdivision and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each participating school board of a participating school district of the contents of the resolution. Within 120 60 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; or
- (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)~~ (2) 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) (2) is not liable for the bonded indebtedness or other debt as proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.~~

(e) After June 5, 1991 (d) Except as provided in paragraph (c), a school district is that withdraws from the intermediate district remains 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 bonds are retired or the debt is discharged and only according to the payment

schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, 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.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 24. Minnesota Statutes 1990, section 136D.75, is amended to read:

136D.75 [STATE BOARD APPROVAL TO RUN TECHNICAL COLLEGE, ISSUE BONDS.]

Prior to the commencement of the operation of any technical college, the intermediate school board shall obtain the approval of the state board of education. Prior to the issuance of any bonds contemplated by sections 136D.71 to 136D.77 for post-secondary technical education, written approval by the state board of education technical colleges shall be obtained.

Sec. 25. Minnesota Statutes 1991 Supplement, 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 the school district board and of the intermediate school board 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. 26. Minnesota Statutes 1991 Supplement, section 136D.82, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period in excess of one fiscal year longer than that set forth in this subdivision. 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 June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, 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 an intermediate district, the a 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, unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.

(d) (c) In addition to the requirements of section 136D.88, 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 subdivision and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each participating school board of a participating school district of the contents of the resolution. Within 120 60 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; or
- (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) (2) is not liable for the bonded indebtedness or other debt as proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.

(e) After June 5, 1991 (d) Except as provided in paragraph (c), a school district is that withdraws from the intermediate district remains 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 bonds are retired or the debt is discharged and only according to the payment schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, 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.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 27. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g, is amended to read:

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, six, seven, eight, nine, 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. 28. Laws 1991, chapter 265, article 6, section 64, subdivision 6, is amended to read:

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, and January 1, 1993 on school district progress in the planning process. The board shall make a final report to the legislature by January 1, 1993 1994. 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. 29. Laws 1991, chapter 265, article 6, section 67, subdivision 3, is amended to read:

Subd. 3. [JULY 1, 1993.] Minnesota Statutes 1990, sections 121.935, subdivision 5; ~~121.91~~ 122.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

Sec. 30. Laws 1991, chapter 265, article 6, section 68, is amended to read:

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~~ 1995.

Sec. 31. [INTERMEDIATE LEVY INCREASE.]

Notwithstanding any law to the contrary, to restore a portion of the revenue reduction imposed by Laws 1991, chapter 265, article 6, section 60, paragraph (b), an intermediate school district may levy in 1992 for taxes payable in 1993 up to an amount equal to one-sixth of the 1990 payable 1991 levy for special education and secondary vocational education certified by the intermediate school district times 21/27. Notwithstanding Laws 1991, chapter 265, article 6, section 60, and Minnesota Statutes, section 121.904, the adjustment to the 1991 payable 1992 levy required by Laws 1991, chapter 265, article 6, section 60, and the amount of the levy permitted by this section shall be recognized as revenue for fiscal year 1993.

Sec. 32. [SECONDARY VOCATIONAL COOPERATIVE LEVY ADJUSTMENT FOR FISCAL YEAR 1993.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.575, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.575, subdivision 4, for the secondary vocational cooperative to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the secondary vocational cooperative.

The amount of levy permitted under this section shall be transferred to the secondary vocational cooperative according to Minnesota Statutes, section 124.575, subdivision 3a.

Sec. 33. [EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1993.]

Notwithstanding any other law to the contrary, a school district

that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.2721, subdivision 4, for the education district to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section shall be transferred to the education district board according to Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 34. [REORGANIZATION OPERATING DEBT FOR CERTAIN DISTRICTS.]

Notwithstanding Minnesota Statutes, section 121.915, if independent school districts No. 237, Spring Valley; and No. 236, Wykoff, conduct a successful referendum in 1992 on the question of combination, the reorganization operating debt for independent school districts No. 237, Spring Valley; and No. 236, Wykoff, shall be calculated according to Minnesota Statutes, section 121.915, except that the debt may be calculated as of June 30, 1993.

Sec. 35. [LAC QUI PARLE COOPERATION REVENUE.]

Subdivision 1. Notwithstanding any other law to the contrary, if the members of joint school district No. 6011, Lac Qui Parle Valley meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

Subd. 2. The authority in subdivision 1 expires if the members of joint school district No. 6011 have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, 1996.

Subd. 3. Joint school district No. 6011, Lac Qui Parle Valley, may certify a levy on all the taxable property in the joint district for costs associated with the establishment of the joint district. The levy authorized under this section must not exceed \$400,000 in total and must be certified in equal amounts over each year of a five-year period.

Sec. 36. [ISLE SCHOOL DISTRICT LEVY.]

In 1992 only, in addition to other levies allowed by law, independent school district No. 473, Isle, may levy up to \$40,000 to cover the

costs of a cable to Onamia, and for related costs associated with implementing an interactive television system.

Sec. 37. [INTERACTIVE TELEVISION CONSORTIUM LEVY.]

In 1992 only, in addition to other levies allowed by law, independent school districts No. 97, Moose Lake; No. 91, Barnum; No. 93, Carlton; No. 95, Cromwell; No. 99, Esko; No. 698, Floodwood; No. 577, Willow River; and No. 100, Wrenshall, may levy up to a total of \$200,000 to cover costs associated with the interactive television consortium to which the districts belong. The member districts shall allocate the \$200,000 among the member districts of the interactive television consortium specified in this section.

Sec. 38. [CONSOLIDATION DEADLINE EXCEPTION.]

Notwithstanding Minnesota Statutes, section 122.23, subdivision 13, the effective date of the consolidation of independent school districts No. 460, Granada-Huntley; and No. 453, East Chain, shall be at least one month after the day when the date must be set, according to Minnesota Statutes, section 123.23, subdivision 13, and shall be July 1 of an odd-numbered year unless an even-numbered year is agreed upon according to Minnesota Statutes, section 122.23, subdivision 13a.

Sec. 39. [RUNESTONE TELECOMMUNICATIONS SYSTEM LEVY.]

In 1992 only, in addition to other levies allowed by law, the member districts of the Runestone telecommunications system, independent school districts No. 207, Brandon; No. 208, Evansville; No. 206, Alexandria, and the member districts of the joint school district No. 6046, Minnewaska, may levy up to a total of \$80,000 for interactive television studio construction and equipment. The member districts of the Runestone telecommunications system shall allocate the \$80,000 among the school districts specified in this section.

Sec. 40. [REPEALER.]

Subdivision 1. [JUNE 1991.] Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2, are repealed as of June 1, 1991.

Subd. 2. [JULY 1, 1992.] Minnesota Statutes 1990, section 136D.74, subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; and 124.2721, subdivisions 5a and 5b, are repealed. Laws 1991, chapter 265, article 9, section 73, is repealed.

Subd. 3. [JULY 1, 1995.] Section 18 is repealed July 1, 1995.

Sec. 41. [EFFECTIVE DATE.]

Sections 18, 22, 23, 26, and 40, subdivision 1, are effective retroactively to June 1, 1991. Section 38 is effective the day of its final enactment. Sections 5 and 15 are effective July 1, 1992. Section 40, subdivision 3, is effective July 1, 1995.

Sec. 42. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, wherever the terms in column B appear in the sections in column A, the revisor of statutes shall delete each term in column B and insert the term in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>124.2721, subdivision 1a</u>	<u>1992</u>	<u>1993</u>
<u>124.2721, subdivision 1a</u>	<u>1993</u>	<u>1994</u>
<u>124.2721, subdivision 2a</u>	<u>1994</u>	<u>1996</u>
<u>124.2721, subdivision 3b</u>	<u>1994</u>	<u>1996</u>
<u>124.2721, subdivision 4a</u>	<u>1994</u>	<u>1996</u>
<u>124.575, subdivision 1a</u>	<u>1992</u>	<u>1993</u>
<u>124.575, subdivision 1a</u>	<u>1993</u>	<u>1994</u>
<u>124.575, subdivision 1a</u>	<u>1994</u>	<u>1996</u>
<u>124.575, subdivision 2a</u>	<u>1994</u>	<u>1996</u>
<u>124.575, subdivision 3b</u>	<u>1994</u>	<u>1996</u>
<u>124.575, subdivision 4a</u>	<u>1994</u>	<u>1996</u>

ARTICLE 7

OTHER PROGRAM FUNDING

Section 1. Minnesota Statutes 1991 Supplement, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] (a) 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.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

Sec. 2. Minnesota Statutes 1990, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund the amounts saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 3. [124C.62] [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of education shall award grants to hospitals and clinics to establish a summer health care intern program for pupils who intend to complete high school graduation requirements and who are between their junior and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] (a) The commissioner, with the advice of the Minnesota medical association and the Minnesota hospital association, shall establish criteria for awarding grants to hospitals and clinics.

(b) The criteria must include, among other things:

(1) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;

(2) the need for health care professionals in a particular area; and

(3) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

(c) The Minnesota medical association and the Minnesota hospital association must provide the commissioner, by January 31, 1993, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate exposure to the health care profession, and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. [GRANTS.] The commissioner shall award grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Sec. 4. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, is amended to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991 and subsequent years, payable in 1992 only and subsequent years, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools; and (2) to teach drug abuse resistance education curricula pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (f) in the elementary schools; and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter 152. The school district must initially attempt to contract for these services with the police department of each city or the sheriff's department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.

Sec. 5. Laws 1991, chapter 265, article 8, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

On June 30, 1992, a school district may permanently transfer money from the capital expenditure fund facilities or equipment accounts 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. A transfer must not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992. No levies shall be reduced as a result of a transfer. Each district transferring money according to this section from the capital expenditure facilities or equipment accounts shall report to the commissioner of education a report of on each transfer. A district must not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if the district retired its bonded indebtedness during fiscal year 1992 or the district's 1991 payable 1992 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. 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. 6. [FUND TRANSFER; NASHWAUK-KEEWATIN.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 319, Nashwauk-Keewatin, may permanently transfer \$40,000 from the bus purchase account to the capital expenditure fund without making a levy reduction.

Sec. 7. [FUND TRANSFER; LESTER PRAIRIE.]

Notwithstanding any law to the contrary, on June 30, 1992, independent school district No. 424, Lester Prairie, may transfer \$100,000 from its general fund to its capital expenditure fund to purchase computer and interactive television equipment that the district is leasing.

Sec. 8. [FUND TRANSFER; RANDOLPH.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 195, Randolph, may permanently transfer money from any operating fund and any nonoperating fund other than the debt redemption fund to the general fund.

Sec. 9. [NETT LAKE; CARRYFORWARD.]

The appropriations for grants to Nett Lake for unemployment compensation payments and insurance premiums contained in Laws

1991, chapter 265, article 8, section 19, subdivision 14, do not cancel and the balances are available in fiscal year 1993.

Sec. 10. [APPROPRIATION; GRANT FOR SCIENCE AND MATH.]

\$150,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of education to supplement a grant from the National Science Foundation. The appropriation is for a systemic initiative in science and mathematics education.

Sec. 11. [APPROPRIATION.]

(a) Money appropriated in Laws 1990, chapter 562, article 12, section 2, for a summer health intern program does not cancel but is available to the commissioner for the fiscal year ending June 30, 1993, as specified in this section:

(1) \$12,000 is available for the operating expenses of the Minnesota education in agriculture leadership council; and

(2) the remaining amount is available for purposes of section 3.

(b) Up to ten percent of the amount in paragraph (a), clause (2) may be used by the commissioner to secure services of vocational licensed instructors or other health personnel to coordinate and facilitate the internship program.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 124.274; and Laws 1990, chapter 562, article 12, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 3, 5, 6, 7, 8, 9, 11, and 12 are effective the day following final enactment.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] For the 1988-1989 school year and the school years thereafter, every child between seven and 16 years of age shall receive instruction for at least 170 days each year, or their equivalent in hours per day, as provided in the rules of the

state board, times 170. For the 2000-2001 school year and later school years, every child between seven and 18 years of age shall receive instruction for at least 170 days each year, or their equivalent in hours per day, as provided in the rules of the state board, times 170. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to 170 half days. Except as provided in subdivision 5a, a parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 2. Minnesota Statutes 1990, section 120.102, subdivision 1, is amended to read:

Subdivision 1. [REPORTS TO SUPERINTENDENT.] The person in charge of providing instruction to a child shall submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, age, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120.101, subdivision 7;

(3) an annual instructional calendar showing that instruction will occur at least equivalent to 170 days; and

(4) for each child instructed by a parent who meets only the requirement of section 120.101, subdivision 7, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120.101, subdivision 6.

Sec. 3. Minnesota Statutes 1990, section 121.11, is amended by adding a subdivision to read:

Subd. 17. [TEAM NAMES.] The state board shall not adopt any rule that prohibits a school district from selecting team names, mascots, emblems, symbols, or logos for any extracurricular activity.

Sec. 4. Minnesota Statutes 1990, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. For purposes of section 15.06, the state board is the appointing authority.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 5. Minnesota Statutes 1991 Supplement, 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 days through the 1994-1995 school year and the number of days of instruction required under section 120.101, subdivision 5b thereafter. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 6. Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, as reenacted, is amended to read:

[123.744] [SCHOOL BOARDS; STUDENT MEMBERS.]

The board of directors of any school district 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. The board may reimburse the student advisory member for any expenses incurred the student incurs while serving in this capacity on the board.

A student advisory member 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. 7. Minnesota Statutes 1991 Supplement, 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 the equivalent to the number of days required in section 120.101, subdivision 1b 5b, 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 the required ~~number of days~~ minimum and the ~~number of days~~ amount school is held bears to the required ~~number of days~~ minimum, 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 Time 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, days time 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~~ time required in subdivision 1b and the ~~number of~~ instructional days time required in section 120.101, subdivision ~~1b~~ 5b. For kindergarten, days time 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~~ time for grades 1 to 12.

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 1b, is amended to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts ~~for~~ at least equivalent to 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. 9. Minnesota Statutes 1991 Supplement, section 124.646, subdivision 4, is amended to read:

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.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service 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.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner before the end of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year, a district may recode the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Sec. 10. Minnesota Statutes 1990, section 124C.61, is amended to read:

124C.61 [PARENTAL INVOLVEMENT PROGRAMS.]

Subdivision 1. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas; and

(4) provide creative learning experiences for parents or guardians and their school-age children, including involvement from parents or guardians of color; and

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 126.666 in order to assist the school board in improving children's education programs.

Subd. 2. [PLAN CONTENTS.] Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, including involvement from parents or guardians of color;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, with the PER process under sections 126.661 to 126.67, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 3. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; or

(10) soliciting parents' suggestions in planning, developing, and implementing school programs;

(11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive; and

(12) involvement in a district's curriculum advisory committee or a school building team under section 126.666.

Sec. 11. Minnesota Statutes 1990, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS AUTHORITY TO LICENSE.]

(a) The authority to board of teaching shall license teachers, as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to for supervisory personnel, as defined in section 125.03, subdivision 4.

(b) The state board of education shall license supervisory person-

nel as defined in section 125.03, subdivision 4, is vested in the state board of education. The authority to

(c) The state board of technical colleges, according to section 136C.04, shall license post-secondary vocational and adult vocational teachers, support personnel, and supervisory personnel in technical colleges is vested in the state board of technical colleges according to section 136C.04, subdivision 9. Licenses must be issued to persons the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory personnel must be determined by the board of teaching under the rules it adopts.

(d) Licenses under the jurisdiction of the board of teaching and the state board of education must be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education must be issued through the licensing section of the department of education.

Sec. 12. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person applying for an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, and special education programs to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board of teaching.

(c) The board may not require support personnel including, but not limited to, counselors, school psychologists, school nurses, school social workers, media generalists, and media supervisors to successfully complete an examination of skills in reading, writing, mathematics, other examinations required of teachers, or a supervised and assessed internship in a professional development school.

(d) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license, the board shall require a person to successfully complete a one year supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The

board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 13. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1b. [PILOT PROJECTS.] (a) The board of teaching shall develop pilot projects on restructuring teacher preparation and licensure in Minnesota. The pilot projects shall evaluate models that require, as a condition for licensure, a year long internship following completion of an approved teacher preparation program. The pilot projects shall require supervision and assessment of interns according to guidelines adopted by the board. The board shall, through an independent contractor selected in consultation with the advisory task force established in section 125.185, subdivision 4a, evaluate the effectiveness of the restructured licensure model in comparison to other models of preparing and licensing teachers, including models that provide internships within existing preparation programs.

(b) The board shall submit an appropriation request to the 1993 legislature to begin the pilot projects. The board shall, during the 1993-1995 biennium, identify sites for the pilot projects, create professional development schools, and prepare staff at the pilot sites. The board shall also assist colleges and universities participating in the pilot projects to redesign teacher education programs.

(c) The pilot projects shall be operational and begin admitting candidates for licensure in 1995.

(d) The board shall present an evaluation of the pilot projects and recommendations regarding statewide implementation of the restructured licensure model to the education committees of the legislature by January 15, 1998. The evaluation must be done by an independent contractor and must include the comments and recommendations of the advisory task force.

(e) It is the intent of the legislature that if the restructured licensure model proves effective, the model will be implemented statewide by the year 2000. The board shall not implement a statewide restructured licensure program without specific legislative authorization.

(f) The board shall, after consulting with the advisory task force, establish the qualifications for interns and the requirements for an intern license.

Sec. 14. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1c. [SUPERVISORY AND COACH QUALIFICATIONS.] The state board of education shall issue licenses under its jurisdiction to persons the state board finds to be qualified and competent for their respective positions under the rules it adopts.

Sec. 15. Minnesota Statutes 1990, section 125.05, subdivision 7, is amended to read:

Subd. 7. [LIMIT ON FIELDS OF LICENSURE.] Unless the action of the board of teaching is approved by specific law, the board may not, after July 1, 1989:

- (1) develop additional fields of licensure;
- (2) divide existing fields of licensure; or
- (3) extend any licensure requirements to any duties that could be performed on March 15, 1989, without a license.

The board may establish fields for provisional licensure, but shall submit each field to the legislature for approval. If approval by specific law is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.

The board may study ways to reconfigure its licensure system to develop and propose flexibility within the existing licensure structure. The board may not proceed under chapter 14 until it reports the results of its study to the education committees of the legislature and obtains authorization by specific law, as required by this subdivision.

Sec. 16. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4b. [APPLICABILITY.] Subdivision 4a does not apply to a school district that has formally adopted a review process for continuing contract teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 17. Minnesota Statutes 1990, section 125.17, 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 review process for nonprobationary teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 18. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for requiring successful completion of the an examination of skills in reading, writing, and mathematics before entering or during being admitted to a teacher education preparation program.

(c) The board shall adopt rules to approve teacher education preparation programs.

(d) 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 teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) Until July 1, 1998, the board may select schools to be professional development schools according to initial criteria adopted by the board. Initial criteria are not subject to chapter 14. By July 1, 1998, the board shall adopt rules to approve or disapprove professional development schools.

These rules (g) The board shall require adopt rules requiring 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 environment.

(h) The board shall also grant licenses to interns and to candidates for initial licenses.

(i) The board shall design and implement an assessment system which requires candidates a candidate for an initial licensure license and first continuing licensure license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(j) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(k) 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.

(l) With regard to post-secondary 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. 19. Minnesota Statutes 1991 Supplement, 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 July 1, 1991, 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 preparation curriculum more consistent with the purpose of state public education. The revised teacher education preparation curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher education preparation programs to implement a research-based, results-oriented curriculum. The revised teacher education preparation curriculum may shall include, upon legislative authorization to implement a state-wide restructured licensure program, a requirement that teacher education preparation programs contain a one-year mentorship program supervised and assessed internship in a professional development school approved by the board. The mentorship internship program must provide students the interns 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 in 1992, including amending board rules governing the issuing, expiring, and renewing of teacher licenses.

The board of teaching shall appoint an advisory task force to advise the board on implementing the restructured teacher preparation and licensure system. The task force shall consist of 21 members. Each of the following organizations shall select a member to serve on the task force: inter-faculty organization, University of Minnesota, Minnesota private college council, Minnesota association of colleges for teacher education, Minnesota education association, Minnesota federation of teachers, Minnesota association of teacher educators, Minnesota association of school administrators, Minnesota association of secondary school principals, Minnesota association of elementary school principals, Minnesota vocational association, Minnesota congress of parents, teachers, and students, Minnesota school boards association, education cooperative service units, and the Minnesota business partnership. In addition, the board shall appoint one member of the board of teaching to the task force. The task force shall include three ex officio members representing the commissioner of education, the state board of education, and the higher education coordinating board. Expenses incurred by task force members shall be reimbursed by the organizations they represent.

During the pilot period of the plan, the advisory task force shall meet at least six times each year and advise the board on restructuring the teacher preparation and licensure system.

The board of teaching shall, after consulting with the advisory task force, submit a progress report on implementing the restructured teacher preparation and licensure system to the education committees of the legislature by January 1 of each year. Before fully implementing the restructured system, the board of teaching shall include a report on the pilot period.

The task force shall continuously monitor the progress of the pilot projects developed under section 125.05, subdivision 1b, and assist the board in addressing policy questions implicated in restructuring the teacher preparation and licensure system, including:

(1) what impact the restructured system has on low income or place-bound persons;

(2) how the restructured system ensures the ethnic and cultural diversity of the teaching force;

(3) what the cost implications of the restructured system are for students, public and private teacher preparation institutions, and the state;

(4) what the status of teacher interns under the restructured system is with respect to licensure, tenure, and retirement and other employment benefits;

(5) what the relationship is between teacher preparation institutions and internship programs under the restructured system; and

(6) what the comparative costs and benefits are of a restructured program and existing teacher preparation programs with an internship component.

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher education preparation 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.~~

The board of teaching shall disapprove a teacher preparation institution that has not implemented the revised teacher preparation curriculum by the 1996-1997 academic year.

Sec. 20. Minnesota Statutes 1990, section 126.12, subdivision 2, is amended to read:

Subd. 2. The school board shall determine the ~~number of school days of each~~ calendar for a school year on or before April 1 of the calendar year in which such school year commences. The board shall offer all elementary, middle, and secondary school subjects required by the board or the curriculum rules of the state board of education on days other than Saturdays, Sundays, and holidays. On any day of the week the board may provide:

- (1) classes or courses at technical colleges;
- (2) classes or courses at area learning centers;
- (3) classes or courses if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost because of circumstances beyond the control of the school board;
- (4) remedial courses;
- (5) courses previously taken, but not successfully completed by the pupil for whom the course is being provided;
- (6) staff development programs; and
- (7) other educational opportunities approved by the commissioner of education.

Sec. 21. Minnesota Statutes 1990, section 127.46, is amended to read:

127.46 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual harassment and sexual violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted in throughout each school building and included in each school's student handbook on school policies. Each school must annually devote at least one school assembly to discussing the school's sexual harassment and violence policy.

Sec. 22. Minnesota Statutes 1990, section 128C.01, subdivision 4, is amended to read:

Subd. 4. [BOARD.] (a) The league must have a ~~21-member~~ 20-member governing board.

(1) ~~The commissioner of education, or the commissioner's representative, is a nonvoting member.~~

(2) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(3) (2) The Minnesota association of secondary school principals must appoint two of its members.

(4) (3) The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575.

Sec. 23. Minnesota Statutes 1990, section 128C.02, is amended by adding a subdivision to read:

Subd. 1a. [ANNUAL REPORT.] The board annually shall prepare a written report containing the information about the league that the commissioner is required to obtain and review under section 128C.20. The board shall file copies of the report in a timely manner with the director of the legislative reference library.

Sec. 24. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority, other than a school district, shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. On or before September 15, a school district shall certify to the county auditor its proposed property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 25. Minnesota Statutes 1990, section 275.125, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF LEVY LIMITATIONS.] By August ~~15~~ 31, the commissioner shall notify the school districts of their levy limits. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 15 as well as adjustments to final pupil unit counts.

A school district may require the commissioner to review the certification and to present evidence in support of modification of the certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may, at the discretion of the school district, be spread over two calendar years.

Sec. 26. Minnesota Statutes 1991 Supplement, 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, or to eligibility for school bus driver endorsements.~~ This chapter also shall not apply to eligibility for a license issued or renewed by the board of teaching or state board of education 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. 27. Laws 1990, chapter 366, section 1, subdivision 2, is amended to read:

Subd. 2. The superintendent of schools of special school district No. 1, Minneapolis, may appoint a person to each of the following positions in clauses (1) to (7) and more than one person to the positions in clauses (8) and (9) to perform the duties and services the superintendent may direct:

- (1) administrator/licensed personnel;
- (2) administrator/nonlicensed personnel;
- (3) administrative assistant finance and operations;
- (4) manager of transportation operations;
- (5) director of finance;
- (6) administrative assistant/research and development; ~~and~~
- (7) director of affirmative action;
- (8) parent liaison; and
- (9) public school nurse.

Sec. 28. Laws 1991, chapter 265, article 8, section 19, subdivision 6, is amended to read:

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 free, reduced, and fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating 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.

Sec. 29. [STATE BOARD OF EDUCATION RULES.]

By December 1, 1993, the state board of education shall adopt or amend rules under Minnesota Statutes, chapter 14, governing the issuing, expiring, and renewing of personnel licenses regulated by the board.

Sec. 30. [REENACTMENT.]

Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, is reenacted.

Sec. 31. [PEER REVIEW MANDATE DELAY.]

Laws 1991, chapter 265, article 9, sections 45, 46, 47, 48, 52, 53, 54, and 55, are effective July 1, 1994, notwithstanding Laws 1991, chapter 265.

Sec. 32. [RECOMMENDATIONS ON BINDING ARBITRATION.]

As an alternative to the bargaining deadline and aid penalty in Minnesota Statutes, section 124A.22, subdivision 2a, the legislative commission on employee relations must evaluate and make recommendations to the legislature regarding the use of binding arbitration as a method to resolve negotiations at impasse between exclusive representatives for teachers and school boards. The report must be submitted by January 15, 1993.

Sec. 33. [LEGISLATIVE COMMITMENT TO A RESULTS-ORIENTED GRADUATION RULE.]

The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board of education shall use its rulemaking authority granted under Minnesota Statutes, section 121.11, subdivision 12, to adopt a statewide, results-oriented graduation rule according to the timeline in section 2. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in the rule.

Sec. 34. [RULE TO BE AUTHORIZED BY LAW.]

Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule until specifically authorized by law to do so. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply after the rule is specifically authorized by law.

Sec. 35. [REPEALER.]

Minnesota Statutes 1990, section 125.03, subdivision 5, is repealed.

Sec. 36. [EFFECTIVE DATES.]

Section 1 is effective the first Monday of January 1995. Section 2 is effective retroactive to the beginning of the 1991-1992 school year. Section 27 is effective the day after the governing body of special school district No. 1, Minneapolis, complies with Minnesota Statutes, section 645.021, subdivision 3. Sections 33 and 34 are effective the day following final enactment.

ARTICLE 9
ENROLLMENT OPTIONS

Section 1. Minnesota Statutes 1991 Supplement, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. [EXCEPTIONS TO DEADLINES.] 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.

(b) If, as a result of entering into, modifying, or terminating an agreement under section 122.541 ~~or~~ 122.535, or sections 122.241 to 122.248, 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 at any time before 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 applicant, the 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. Minnesota Statutes 1991 Supplement, 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 by 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. 3. [REENACTMENT.]

Minnesota Statutes 1990, section 123.3514, subdivisions 6 and 6b, as amended by Laws 1991, chapter 265, article 9, sections 38 and 39, are reenacted.

Sec. 4. Laws 1991, chapter 265, article 9, section 75, is amended to read:

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. 5. Minnesota Statutes 1990, section 123.3514, subdivision 6, as amended by Laws 1991, chapter 265, article 9, section 38, as reenacted, 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.

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. 6. Minnesota Statutes 1990, section 123.3514, subdivision 6b, as amended by Laws 1991, chapter 265, article 9, section 39, as reenacted, 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.

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. 7. Minnesota Statutes 1991 Supplement, section 123.3514, subdivision 11, is amended to read:

Subd. 11. [PUPILS AT A DISTANCE 40 MILES OR MORE 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. 8. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11a. [PUPILS LESS THAN 40 MILES FROM AN ELIGIBLE INSTITUTION.] A pupil enrolled in a secondary school that is located less than 40 miles from the nearest eligible institution may enroll in a post-secondary course provided at the secondary school.

Sec. 9. [123.3516] [POST-SECONDARY COURSES IN SECONDARY SCHOOLS.]

Subdivision 1. [AUTHORIZATION FOR AGREEMENTS.] A

school district may enter into an agreement with a post-secondary institution to provide nonsectarian post-secondary courses at a secondary school.

Subd. 2. [CREDITS.] Secondary or post-secondary credit shall be granted to a pupil enrolled in a post-secondary course under this section according to section 123.3514, subdivision 5.

Subd. 3. [FINANCIAL ARRANGEMENTS.] Reimbursement to the post-secondary institution for post-secondary instruction provided under this section shall be determined by the participating school district and post-secondary institution.

For the purposes of appropriations to public post-secondary governing boards, student credit hours earned under this section shall not be included as regular instructional activity.

For a pupil enrolled in a post-secondary course under this section, a school district shall receive the formula allowance according to section 124A.22, subdivision 2, times 1.3.

Sec. 10. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 2a. [ALSO ELIGIBLE.] Also eligible to participate in the high school graduation incentives program under subdivision 2, clauses (a), (b), and (c), are pupils who: are victims of physical or sexual abuse, have experienced mental health problems, or have experienced homelessness any time within a six-month period prior to the date of requesting a transfer to an eligible program.

Sec. 11. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 3a, is amended to read:

Subd. 3a. [EXCLUSIONS FROM ENROLLMENT.] Student enrollment for the purposes of average cost funding shall not include:

(1) any undergraduate students who do not meet the residency criteria established under subdivision 7;

(2) enrollment in extension at the technical colleges; and

(3) students enrolled in recreational or leisure-time activity courses, except for those students enrolled in a degree-granting program for whom the credits would apply toward a baccalaureate degree; and

(4) secondary pupils enrolled under section 9.

Sec. 12. [135A.18] [AUTHORIZATION FOR AGREEMENTS.]

The governing board of a public post-secondary institution may enter into an agreement with a school district to provide instructional services.

Sec. 13. [EFFECTIVE DATE.]

Sections 2 and 12 are effective the day following final enactment and apply to the 1991-1992 and later school years. Sections 7 and 8 are effective July 1, 1993.

ARTICLE 10
PUBLIC LIBRARIES

Section 1. Minnesota Statutes 1990, section 134.34, subdivision 1, is amended to read:

Subdivision 1. [LOCAL SUPPORT LEVELS.] A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, ~~except in the first year of participation as provided in section 134.33,~~ is providing for public library service support the lesser of (a) ~~an amount equivalent to 0.33 percent of the adjusted gross tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1990 and an amount equivalent to .41 .82 percent of the adjusted net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1991 and later years or~~ (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year ~~1990~~ 1993 as ~~\$3.62~~ \$7.62. In succeeding calendar years, the per capita amount shall be increased by a ~~percentage equal to one-half of the percentage by which the total state adjusted net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted net tax capacity for the third year preceding that calendar year.~~ The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 2. Minnesota Statutes 1990, section 134.34, is amended by adding a subdivision to read:

Subd. 4a. [SUPPORT GRANTS.] In state fiscal years 1993, 1994, and 1995, a regional library basic system support grant also may be made to a regional public library system for a participating city or county which meets the requirements under paragraph (a) or (b) of this section.

(a) The city or county decreases the dollar amount provided by it for operating purposes of public library service if the amount provided by the city or county is not less than the amount provided by the city or county for such purposes in the second preceding year.

(b)(1) The city or county provided for operating purposes of public library services an amount exceeding 125 percent of the state average percentage of the adjusted net tax capacity or 125 percent of the state average local support per capita; and

(2) the local government aid distribution for the current calendar year under chapter 477A has been reduced below the originally certified amount for payment in the preceding calendar year, if the dollar amount of the reduction from the previous calendar year in support for operating purposes of public library services is not greater than the dollar amount by which support for operating purposes of public library service would be decreased if the reduction in support were in direct proportion to the local government aid reduction as a percentage of the previous calendar year's revenue base as defined in section 477A.011, subdivision 27. Determination of a grant under paragraph (b) shall be based on the most recent calendar year for which data are available.

The city or county shall file a report with the department of education indicating the dollar amount and percentage of reduction in public library operating funds.

Sec. 3. [PUBLIC LIBRARY DISTRICT; ADVISORY ELECTION.]

The board of county commissioners of Otter Tail county and the city council of the city of Fergus Falls by resolutions adopted by each of them may submit to the voters that reside within the boundaries of independent school district No. 544, except that part of the school district located in Wilkin county, the question of whether the county board and the city council shall request the legislature of the state of Minnesota to enact legislation to provide for the establishment of a public library district to provide library service to those persons residing within the boundaries of independent school district No. 544, except for that part of the school district located in Wilkin county. If the resolutions are adopted as provided in this section, the question shall be submitted at the 1992 general election and the form of the ballot shall be:

"Shall the board of county commissioners of Otter Tail county and the city council of the city of Fergus Falls, request legislation from the Minnesota legislature to provide for a public library district for the purpose of providing library service to those persons residing within the boundaries of independent school district No. 544, except that part of the school district located in Wilkin county?"

Yes
No"

The results of the election on the question submitted shall be advisory only to the county board and the city council and shall have no binding effect upon a decision to request the Minnesota legislature to provide for a public library district.

Sec. 4. [LOCAL APPROVAL.]

Section 3 takes effect the day after the filing of a certificate of local approval by the board of county commissioners of Otter Tail county and the city council of the city of Fergus Falls in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 5. [REPEALER.]

Minnesota Statutes 1990, section 134.34, subdivision 2, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 5 are effective January 1, 1993. Section 2 is effective the day following final enactment.

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1991 Supplement, 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. 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.

(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.

(e) Notwithstanding the provisions of clauses (b) and (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 (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (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 kindergarten and 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 kindergarten and 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. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 2. Minnesota Statutes 1990, section 124C.07, is amended to read:

124C.07 [COMPREHENSIVE ARTS PLANNING PROGRAM.]

The department of education shall prescribe the form and manner of application by one or more school districts to be designated as a site to participate in the comprehensive arts planning program. Up to 30 sites may be selected. The department of education shall designate sites in consultation with the Minnesota alliance for arts in education, the Minnesota center for arts education, and the Minnesota state arts board.

Sec. 3. Minnesota Statutes 1990, section 124C.08, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] The department of education, in consultation with the Minnesota alliance for arts in education comprehensive arts planning program steering committee, shall establish criteria for site selection. Criteria shall include at least the following:

(1) a willingness by the district or group of districts to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;

(2) a willingness by the district or group of districts to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;

(3) commitment on the part of committee members to participate in training offered by the department of education;

(4) a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program, unless that district has joined a new group of districts; and

(8) location of the district or group of districts to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Sec. 4. Minnesota Statutes 1990, section 124C.09, is amended to read:

124C.09 [DEPARTMENT RESPONSIBILITY.]

The department of education, in cooperation with the Minnesota alliance for arts in education ~~and~~, the Minnesota state arts board, and the Minnesota center for arts education shall provide materials, training, and assistance to the arts education committees in the school districts. The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 5. Minnesota Statutes 1990, section 128A.09, is amended by adding a subdivision to read:

Subd. 1a. [CONTRACTS; FEES; APPROPRIATION.] The state board may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. The agreements may be made with public or private agencies or institutions, school districts, education cooperative service units, or counties. The board may

authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally-related materials.

Sec. 6. Minnesota Statutes 1990, section 128A.09, subdivision 2, is amended to read:

Subd. 2. [FEES; APPROPRIATION.] ~~Income from fees for conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials received under section 5 must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for fees from conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials and other services is annually appropriated to the academies to defray expenses of the conferences, seminars, technical assistance, and production of materials those services. Payment from the revolving fund for conferences and other fees may be made only according to vouchers authorized by the administrator of the academies.~~

Sec. 7. Laws 1991, chapter 265, article 7, section 41, subdivision 4, is amended to read:

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.

A balance in the first year does not cancel but is available in the second year.

Sec. 8. [LAND TRANSFER.]

Subdivision 1. [PERMITTED.] (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in

Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. [CONSIDERATION.] The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties.

Subd. 3. [APPROPRIATION.] The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.

Subd. 4. [PURPOSE.] The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

Sec. 9. [REPEALER.]

Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; and 128A.022, subdivision 5, are repealed.

ARTICLE 12

TECHNICAL

Section 1. Minnesota Statutes 1991 Supplement, section 120.064, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 215.182 125.05, subdivision 2 1, 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.

Sec. 2. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 7a. [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 July 1, 1993. 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 July 1, 1993, 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 sections 122.895, 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. 3. Minnesota Statutes 1990, section 122.23, subdivision 16, is amended to read:

Subd. 16. As of the effective date of the consolidation, the bonded debt of all component districts shall be paid according to the plan for consolidation proposed in the approved plat, pursuant to the provi-

sions of subdivision 16a or 16b, as applicable and according to this subdivision.

(a) If the plan for consolidation so provides, the bonded debt of all component districts shall be paid according to levies previously made for that debt under chapter 475. In this case, the obligation of the taxable property in the component districts with reference to the payment of such bonded debt is not affected by the consolidation.

(b) If the plan for consolidation makes no provision for the disposition of bonded debt, all the taxable property in the newly created district is taxable for the payment of any bonded debt incurred by any component district in the proportion which the net tax capacity of that part of a preexisting district which is included in the newly created district bears to the net tax capacity of the entire preexisting district as of the time of the consolidation.

(c) If the plan for consolidation so provides, all the taxable property in the newly created district will be taxable for a portion of the bonded debt incurred by any component district prior to the consolidation.

Apportionment required under paragraphs (b) and (c) shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly created district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Sec. 4. Minnesota Statutes 1990, section 122.247, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM LEVIES REVENUES.] The referendum levy revenue authorization of the combined district shall be one of the methods set forth in section 122.531, subdivision 2a, 2b, or 2c, and must be consistent with the plan adopted according to section 122.242, and any subsequent modifications.

Sec. 5. Minnesota Statutes 1990, section 122.531, subdivision 1a, is amended to read:

Subd. 1a. [INVOLUNTARY DISSOLUTION REFERENDUM LEVIES REVENUE.] As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum levy revenue previously approved by the voters of the dissolved district in that district pursuant to section 124A.03, subdivision 2, or its predecessor or successor

provision, is canceled. The authorization for any referendum levy revenue previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Sec. 6. Minnesota Statutes 1990, section 122.531, subdivision 2c, is amended to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum levies revenue previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, the newly created district shall not make a receive referendum levy revenue unless the voters of the newly created district authorize a referendum levy revenue pursuant to section 124A.03, subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19a. [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 July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, 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 sections 122.895, 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 July 1, 1993, 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. 8. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax

capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

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

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

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

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; and

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

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

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

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 3, is amended to read:

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

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

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

(2) the ratio of:

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

(i) section 124A.23, if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

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

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

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

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; and

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

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

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

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

(1) the amount of the distribution of excess increment, and

(2) the amount subtracted from aid pursuant to clause (a).

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

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

Sec. 10. Laws 1991, chapter 265, article 7, section 37, subdivision 6, is amended to read:

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 shall be used only for outcome-based education purposes and activities specified in the contract. Any of the contract funds unexpended in the first fiscal year shall be available to the award recipient in the second fiscal year for the same purposes and activities.

Sec. 11. Laws 1991, chapter 265, article 9, section 76, is amended to read:

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 Section 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.

Sec. 12. [REENACTMENT.]

Minnesota Statutes 1990, section 120.105 repealed by Laws 1991, chapter 265, article 9, section 75 is reenacted and remains in effect without interruption.

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, section 122.23, subdivisions 16a and 16b, are repealed. Minnesota Statutes 1991 Supplement, section 123.35, subdivision 19, is repealed effective July 1, 1995.

Sec. 14. [EFFECTIVE DATE.]

Sections 2 and 7 are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding

subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136D.75; 182.666, subdivisions 6 and 7; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136C.06; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8;

123.35, subdivision 19; **124.2721**, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and **5**; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; and Laws 1991, chapter 265, article **9**, section 73."

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to **which** was referred:

H. F. No. 2190, A bill for an act relating to economic development; providing that Ramsey county may act as a housing and redevelopment authority for one year; amending Minnesota Statutes 1990, section 469.004, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, before the period insert "except the authority may not levy a tax"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to **which** was referred:

H. F. No. 2219, A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections **169.01**, by adding a subdivision; 169.19, subdivision 1; 216C.15, **subdivision 1**; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, **subdivision 1**; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1990, section 161.1231, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO CONSTRUCT.] Notwithstanding section 161.123 or any other law, the commissioner may acquire land by purchase, gift, or eminent domain for parking facilities described in this section and may construct, operate, repair, and maintain parking facilities primarily to serve vehicles traveling the route in the interstate highway system described in section 161.123, clause (2), also known as I-394 and, if approved by the federal government, vehicles occupied by two or more persons traveling other routes. Other vehicles may use the parking facilities when space is available.

Sec. 2. Minnesota Statutes 1990, section 161.1231, subdivision 2, is amended to read:

Subd. 2. [RULES AND PROCEDURES.] The commissioner shall adopt rules and establish procedures for the operation and use of the parking facilities. The rules are exempt from the requirements of chapter 14. A copy of the rules that regulate use of the facilities by drivers must be posted in each parking facility. The rules must:

(1) establish incentives, which must include preferential parking locations, to encourage drivers of vehicles that are occupied by two or more persons that travel on I-394 and that are occupied by two or more persons other routes, if approved by the federal government, to use the facilities;

(2) define peak travel hours and provide that during peak travel hours single-occupant vehicles be charged a surcharge to bring the parking fee for those vehicles to approximately the same level as parking fees charged in the private parking ramps located in Minneapolis;

(3) provide preferential parking locations for vehicles licensed and operated under section 168.021;

(4) establish application, permit, and use requirements; and

(5) provide for removal and impoundment of vehicles and assessment of a service fee on vehicles parked in violation of this section and the rules adopted under it."

Page 2, line 5, delete "1" and insert "3"

Page 2, line 10, delete "\$100" and insert "\$50"

Page 7, lines 25 and 26, delete "7 to 10" and insert "9 to 12"

Page 7, line 36, delete "9" and insert "11"

Page 8, line 3, delete "8" and insert "10"

Page 8, after line 13, insert:

"Subd. 9. [HIGH-OCCUPANCY VEHICLE.] "High-occupancy vehicle" has the meaning given it in section 169.01, subdivision 77."

Page 8, line 17, delete "vehicle" and insert "vehicles"

Page 8, line 18, after "with" insert "employers and labor representatives in the metropolitan area,"

Page 8, line 31, delete "vehicle" and insert "vehicles"

Page 8, line 34, delete "multiple-occupancy" and insert "high-occupancy"

Page 9, line 2, before "The" insert "After reasonable notice and a public hearing on the proposed zones and vehicle occupancy rate goals,"

Page 9, line 13, delete "8" and insert "10"

Page 9, line 31, delete "shall" and insert "may"

Page 10, delete lines 16 to 22

Page 10, line 24, after "with" insert "employers,"

Page 10, lines 31, 33, and 36, delete "8" and insert "10"

Page 11, line 1, delete "8" and insert "10"

Page 11, after line 2, insert:

"Sec. 14. [CARPOOL INCENTIVES.]

The commissioner of transportation shall take all steps necessary to secure the approval of the federal government required to make all high-occupancy vehicles, whether traveling on I-394 or other routes, eligible for parking fee incentives in the garages constructed under section 161.1231.

Sec. 15. [APPLICATION TO FEDERAL ACTIONS.]

Nothing in this act requires the commissioner of transportation to take any action that (1) will jeopardize the state's eligibility for or ability to use federal highway funds or (2) the commissioner determines will result in any other federal action against the state."

Page 11, line 3, before "APPLICATION" insert "EFFECTIVE DATE;"

Page 11, line 4, delete "7 to 11" and insert "9 to 13"

Pages 11 and 12, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "tax" insert "and other"

Page 1, line 10, after "sections" insert "161.1231, subdivisions 1 and 2;"

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete the first "1;"

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

The report was adopted.

Munger from the Committee on **Environment** and Natural Resources to which was referred:

H. F. No. 2267, A bill for an act **relating** to the environment; expanding the eligibility of cities and **towns** for reimbursement from the petroleum tank release cleanup **account**; amending Minnesota Statutes 1990, section 115C.09, by **adding** a subdivision.

Reported the same back with the **following** amendments:

Delete everything after the enacting **clause** and insert:

"Section 1. Minnesota Statutes 1990, **section** 115C.02, subdivision 8, is amended to read:

Subd. 8. [OWNER.] "Owner" means a person who holds title to, controls, or possesses an interest in a tank. "Owner" does not include a person who holds an interest in a tank solely for financial security, unless through foreclosure or other related actions the holder of a security interest has taken possession of the tank and fails to take all necessary corrective action as a volunteer under section 115C.09. The state or an agency of the state is not an owner solely because it holds title to a tank or to real property where the tank is located in trust for taxing districts as a result of forfeiture of title for nonpayment of taxes.

Sec. 2. Minnesota Statutes 1990, section 115C.021, is amended by adding a subdivision to read:

Subd. 4. [MORTGAGEES.] (a) A mortgagee is not responsible for a release from a tank solely because the mortgagee becomes an owner of real property on which the tank is located through foreclosure of the mortgage or by receipt of the deed to the mortgaged property in lieu of foreclosure.

(b) A mortgagee of real property where a tank is located or a holder of a security interest in a tank is not an operator of the tank for the purpose of this section solely because the mortgagee or holder has a capacity to influence the operation of the tank to protect its security interest.

Sec. 3. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b, is amended to read:

Subd. 3b. [VOLUNTEER ELIGIBILITY.] (a) Notwithstanding subdivisions 1 to 3, a person may apply to the board for partial reimbursement under subdivision 3 who:

- (1) is not a responsible person under section 115C.02;
 - (2) holds legal or equitable title to the property where a release occurred; and
 - (3) incurs reimbursable costs on or after May 23, 1989.
- (b) A person eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

(c) The board may reduce the reimbursement to a person eligible under this subdivision if the person acquired legal or equitable title to the property from a responsible person who failed to comply with the provisions of subdivision 3, paragraph (f), except that the board may not reduce the reimbursement to a mortgagee who acquires

title to the property through foreclosure or receipt of a deed in lieu of foreclosure.

Sec. 4. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

Subd. 3d. [POLITICAL SUBDIVISION ELIGIBILITY.] (a) Notwithstanding the provisions of subdivisions 1 to 3, a political subdivision may apply to the board for partial reimbursement under subdivision 3 where the political subdivision:

(1) is not a responsible person under section 115C.02; and

(2) incurs reimbursable costs on or after the effective date of this section.

(b) A political subdivision eligible for reimbursement under this subdivision may only apply for reimbursement if the identified responsible person has failed to take a corrective action ordered by the commissioner.

(c) A political subdivision eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections 115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2320, A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; eliminating the requirement that metropolitan counties must appoint watershed district managers from lists of nominees submitted by towns and municipalities; making local governments subject to watershed district permit fees; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103D.311, subdivision 3, is amended to read:

Subd. 3. [NOMINEES FOR CITY INITIATED AND METROPOLITAN WATERSHED DISTRICTS.] (a) If the establishment petition that initiated the watershed district originated from a majority of the cities within the watershed district, the county commissioners must appoint the managers from a list of persons nominated by one or more of the townships and municipalities located within the watershed district. If the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of persons nominated jointly or severally by the towns and municipalities within the district. The list must contain at least three nominees for each manager's position to be filled. The list must be submitted to the county boards affected by the watershed district at least 60 days before the manager's term of office expires. The county commissioners may appoint any managers from towns and municipalities that fail to submit a list of nominees.

(b) If the list is not submitted 60 days before the managers' terms of office expire, the county commissioners must appoint the managers from eligible persons residing in the watershed district.

(c) Managers of a watershed district entirely within the metropolitan area must be appointed to fairly represent the various hydrologic areas within the watershed district by residence of the manager appointed.

Sec. 2. Minnesota Statutes 1990, section 103D.335, is amended by adding a subdivision to read:

Subd. 24. [EXEMPTION FROM POLITICAL SUBDIVISION PERMIT FEES.] A watershed district is exempt from fees charged by political subdivisions for permits required for activities conducted under subdivisions 8 to 10.

Sec. 3. Minnesota Statutes 1990, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a public accountant or by the state auditor. The annual audit must be made by a certified public accountant or the state auditor at least once every five years, or when cumulative district revenues or expenditures exceed an amount established by the board in consultation with the state auditor.

Sec. 4. Minnesota Statutes 1990, section 103D.535, subdivision 1, is amended to read:

Subdivision 1. [WHAT CAN BE APPEALED.] (a) Any party alone or jointly may appeal to the district court or to the board an order of the managers made in a proceeding relating to a project and entered in the watershed district's record that determines:

- (1) the amount of benefits determined;
- (2) the amount of damages allowed;
- (3) the allowance of fees or expenses in any proceedings;
- (4) a matter in the proceeding that affects a substantial right; or
- (5) an order of the managers authorizing or refusing to establish a project in whole or in part.

(b) Actions of the managers that do not relate to projects, including actions related to permits and actions to enforce watershed district rules, are not reviewable under this section.

Sec. 5. [103D.537] [APPEALS OF RULES, PERMIT DECISIONS, AND ORDERS NOT INVOLVING PROJECTS.]

(a) Except as provided in section 103D.535, an interested party may appeal a rule, permit decision, or order made by the managers by a declaratory judgment action brought under chapter 555 or by appeal to the board. The decision on appeal must be based on the

record made in the proceeding before the managers. An appeal of a permit decision must be filed within 30 days of the managers' decision.

(b) By January 1, 1993, the board shall adopt rules governing appeals to the board under paragraph (a). A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69.

Sec. 6. Minnesota Statutes 1990, section 103D.545, is amended by adding a subdivision to read:

Subd. 3. [ATTORNEY FEES AND COSTS.] In any civil action arising from or related to a rule, order, or stipulation agreement made or a permit issued or denied by the managers under this chapter, the court may award the prevailing party reasonable attorney fees and costs."

Delete the title and insert:

"A bill for an act to watershed districts; modifying requirements for appointing watershed district managers; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivision 3; 103D.335, by adding a subdivision; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2360, A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribes as employers for purposes of unemployment compensation insurance contributions; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 268.06, is amended by adding a subdivision to read:

Subd. 34. [EMPLOYERS WHO ARE INDIAN TRIBAL GOVERNMENTS.] To the extent permissible under the laws of the United States, an Indian tribe defined in section 268.0111, subdivision 5a, shall, if elected by the tribe, be treated as a self-sustaining state and political subdivision employer for the purposes of subdivisions 25, 26, and 31, for its employees performing governmental functions. Any such tribal election must be in writing to the commissioner and must agree to be bound by the election for a minimum of two years.

Sec. 2. [TEMPORARY UNEMPLOYMENT INSURANCE RATE; ABATEMENT OF PENALTY, INTEREST, AND COSTS; RED LAKE BAND.]

Notwithstanding Minnesota Statutes, section 268.06, subdivisions 2 and 3a, and to the extent permissible under the laws of the United States, the commissioner of the department of jobs and training is directed to enter into a compromise agreement with the governing body of the Red Lake Band of Chippewa Indians. The agreement shall retroactively establish and apply a zero-percentage contribution rate for each quarter of the years 1988, 1989, 1990, 1991, and 1992, for which no benefits under Minnesota Statutes, sections 268.001 to 268.25, were paid on account of employment for such tribe. For any such quarter in which benefits were paid but no contribution was made as otherwise required, the compromise agreement shall require such tribe to pay within a reasonable period of time to the Minnesota unemployment compensation fund an amount equivalent to the amount of benefits paid. All other amounts otherwise payable from such tribe for such period, including but not limited to, delinquent contributions, reimbursements, interest, penalties, and costs are: (1) hereby abated; and (2) such tribe is hereby relieved of all liability therefor."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribal governments as employers for purposes of unemployment compensation insurance payments; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2463, A bill for an act relating to courts; providing for the distribution of certain court revenue in Ramsey county; amending Minnesota Statutes 1990, section 488A.20, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 15, insert:

"Sec. 2. [ADJUSTMENTS TO LEVY LIMITS.]

If the repeal of Minnesota Statutes, sections 275.50 to 275.58, is delayed or is reenacted by a law enacted in the 1992 legislative session, the commissioner of revenue shall adjust the payable 1993 levy limitations for the city of St. Paul and Ramsey county. The commissioner shall decrease St. Paul's levy limitation by an amount equal to the estimated increase in revenue which the city will be receiving in calendar year 1993 based upon the change in the distribution of fines or penalties under Minnesota Statutes, section 488A.20, subdivision 4. The commissioner shall increase Ramsey county's levy limitation by an amount equal to the estimated loss in revenue to Ramsey county in calendar year 1993 resulting from the change in distribution of fines or penalties under section 488A.20, subdivision 4. For purposes of the levy limit adjustments made under this section, collections estimated in Ramsey county's 1992 adopted budget will be used to determine the revenue loss to the county and the revenue gain to the city. This adjustment will be a permanent levy limit base adjustment for taxes payable in 1994 and subsequent years. The amounts shall be certified to the commissioner of revenue by the Ramsey county court administrator on or before June 1, 1992.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for collections made January 1, 1993, and thereafter."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for an adjustment to levy limits;"

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

The report was adopted.

Rodosovich from the Committee on Health and Human Services to which was referred:

H. F. No. 2499, A bill for an act relating to human services; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivision 19a; and 256B.0627, subdivisions 5 and 6.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 6a, is amended to read:

Subd. 6a. [HOME HEALTH SERVICES.] Home health services are those services specified in Minnesota Rules, part 9505.0290. Medical assistance covers home health services at a recipient's home residence. Medical assistance does not cover home health services at a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, unless the program is funded under a home- and community-based services waiver or unless the commissioner of human services has prior authorized skilled nurse visits for less than 90 days for a resident at an intermediate care facility for persons with mental retardation, to prevent an admission to a hospital or nursing facility. Home health services must be provided by a Medicare certified home health agency. All nursing and home health aide services must be provided according to section 256B.0627."

Page 1, line 11, delete "Section 1." and insert "Sec. 2."

Page 2, line 5, strike "their" and insert "the recipient's"

Page 2, line 6, before the period insert "unless, in the case of a foster provider, a county or state case manager visits the recipient as needed, but no less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met"

Page 2, line 9, strike "An exception"

Page 2, strike lines 10 and 11 and insert:

"Sec. 3. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that is reviewed by the physician at least once every 60 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625.

(b) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description of the services needed which shall include is signed by the recipient or responsible party and includes a detailed description of the covered home care services, who is providing the services, frequency of those services, and duration of those services. The care plan shall also include, and expected outcomes and goals including expected date of goal accomplishment.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the supportive care necessary to assist the recipient to live in the community, is at least 18 years old, and is not a personal care assistant. Responsible parties who are parents of minors or guardians of minors or incapacitated persons may delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only while serving as the responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home if case management is provided as required in section 256B.0625, subdivision 19a. For persons who, as of April 1, 1992, are sharing personal care services in order to obtain the availability of 24-hour coverage, an employee of the personal care provider organization may be designated as the responsible party if case management is provided as required in section 256B.0625, subdivision 19a.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;

- (3) range of motion exercises;
 - (4) respiratory assistance;
 - (5) transfers;
 - (6) bathing, grooming, and hairwashing necessary for personal hygiene;
 - (7) turning and positioning;
 - (8) assistance with furnishing medication that is normally self-administered;
 - (9) application and maintenance of prosthetics and orthotics;
 - (10) cleaning medical equipment;
 - (11) dressing or undressing;
 - (12) assistance with food, nutrition, and diet activities;
 - (13) accompanying a recipient to obtain medical diagnosis or treatment;
 - (14) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules;
 - (15) supervision and observation that are medically necessary because of the recipient's diagnosis or disability; and
 - (16) incidental household services that are an integral part of a personal care service described in clauses (1) to (15).
- (b) The personal care services that are not eligible for payment are the following:
- (1) personal care services that are not in the care plan developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or the responsible party directing the care of the recipient;
 - (2) services that are not supervised by the registered nurse;
 - (3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;
 - (4) services provided by a foster care provider of a recipient who cannot direct their own care, unless prior authorized by the commie-

sioner under paragraph (j) monitored by a county or state case manager under section 256B.0625, subdivision 19a;

(5) sterile procedures;

(6) injections of fluids into veins, muscles, or skin;

(7) services provided by parents of adult recipients, adult children, or adult siblings, unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:

(i) the relative resigns from a part-time or full-time job to provide personal care for the recipient;

(ii) the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;

(iii) the relative takes a leave of absence without pay to provide personal care for the recipient;

(iv) the relative incurs substantial expenses by providing personal care for the recipient; or

(v) because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;

(8) homemaker services that are not an integral part of a personal care services; and

(9) home maintenance, or chore services."

Page 2, line 12, delete "Sec. 2." and insert "Sec. 5."

Page 4, line 12, after the period insert "When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost effectiveness."

Page 5, line 29, strike "they require" and insert "the care required is difficult to perform and requires more time than community-based standards allow or the recipient's condition or treatment requires more training or skill than would ordinarily be required and the recipient needs or has one or more of the following"

Page 5, line 36, strike "or"

Page 6, line 1, after "(G)" insert "quadriplegia; or

(H)"

Page 7, line 30, after the first comma **insert** "the cost effectiveness of services."

Page 7, line 33, after the first comma **insert** "the cost of services."

Page 8, strike lines 2 to 6 and **insert** "Providers may request a temporary authorization for home care services by phone. The commissioner may approve a temporary level of home care services based on the assessment and care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed 30 days. The level of services authorized under this provision shall have no bearing on a future prior authorization."

Page 8, line 18, strike everything after "or"

Page 8, line 19, strike everything before the semicolon and **insert** "case management is provided as required in section 256B.0625, subdivision 19a"

Page 8, line 23, strike everything after "unless"

Page 8, strike line 24

Page 8, line 25, strike "evaluation team" and **insert** "case management is provided as required in section 256B.0625, subdivision 19a"

Page 8, line 27, after "four" **insert** "unless the county responsible for the recipient's foster placement made the placement prior to April 1, 1992, requests that home care services be provided, and case management is provided as required in section 256B.0625, subdivision 19a"

Page 8, line 29, strike "less the base rate" and **insert** "other than room and board payments plus the cost of home- and community-based waived services unless the costs of home care services and waived services are combined and managed under the waiver program"

Page 8, line 32, delete "Sec. 3." and **insert** "Sec. 6."

Page 9, line 4, delete "Sec. 4." and **insert** "Sec. 7."

Page 9, line 5, delete "3" and **insert** "6"

Amend the title as follows:

Page 1, line 2, after the semicolon insert "adding a home- and community-based services waivers to home health services; requiring a county or state case manager to visit the recipient; defining care plan and responsible party;"

Page 1, line 8, delete "subdivision" and insert "subdivision 6a and"

Page 1, line 9, after "subdivisions" insert "1, 4," and after "5" insert a comma

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2504, A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 16B.24, is amended by adding a subdivision to read:

Subd. 11. [RECYCLING OF FLUORESCENT LAMPS.] When a fluorescent lamp containing mercury is removed from service in a building or premises owned by the state or rented by the state for the use of a state agency, the commissioner shall ensure that the lamp is recycled if recycling facilities are available in this state. For the purposes of this subdivision, recycling means:

(1) the removal and proper management of the mercury and other contents of the lamp so as to prevent releases into the environment to the maximum extent possible; and

(2) the recycling, as defined in section 115A.03, subdivision 25b, of the glass and metals.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2514, A bill for an act relating to veterans; establishing a grant program to enhance the operations of county veterans service offices; establishing an education program for county veterans service officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Reported the same back with the following amendments:

Page 2, line 33, delete the period and insert "determined in the following manner:

(i) if the county's veteran population is less than 1,000, the county's grant share shall be \$2,000;

(ii) if the county's veteran population is 1,000 or more but less than 3,000, the county's grant share shall be \$4,000;

(iii) if the county's veteran population is 3,000 or more but less than 10,000, the county's grant share shall be \$6,000; or

(iv) if the county's veteran population is 10,000 or more, the county's grant share shall be \$8,000.

In any year, only one-half of the counties in each of the four veteran population categories in items (i) to (iv) shall be awarded grants. Grants shall be awarded on a first-come first-served basis to counties submitting applications which meet the commissioner's criteria as established in the rules. Any county not receiving a grant in any given year shall receive priority consideration for a grant the following year.

If in any year the appropriation for this program is less than the

sum of grant shares for all eligible counties as specified in this subdivision, then the county shares shall be reduced proportionately.

In any year, after a period of time to be determined by the commissioner, any amounts remaining from undistributed county grant shares may be reallocated to the other counties which have submitted qualifying applications.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner."

Page 2, delete lines 34 to 36

Page 3, delete lines 1 to 5

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2543, A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103F.505, is amended to read:

103F.505 [PURPOSE AND POLICY.]

It is the purpose of sections 103F.505 to 103F.531 to keep certain marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters and, drainage systems, wetlands, and locally designated priority waters, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1990, section 103F.511, is amended by adding a subdivision to read:

Subd. 8a. [RIPARIAN LAND.] "Riparian land" means lands adjacent to public waters, drainage systems, wetlands, or locally designated priority waters identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3.

Sec. 3. Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land meets the requirements of paragraphs (b) and (c).

(b) Land is eligible if the land:

(1) is marginal agricultural land;

(2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;

(3) consists of a drained wetland;

(4) is land that with a windbreak would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is ~~cropland adjacent to public waters~~ riparian land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to four acres of cropland or one acre of noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or

(10) is land on a hillside used for pasture.

(c) Eligible land under paragraph (a) must:

(1) ~~have been owned by the landowner on January 1, 1985, or be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;~~

(2) be at least five acres in size, except for a windbreak, woodlot, or abandoned building site, or be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(3) not be set aside, enrolled or diverted under another federal or state government program; and

(4) have been in agricultural crop production for at least two of the last five years before the date of application during the period 1981 to 1985 except drained wetlands, riparian lands, woodlots, abandoned building sites, or land on a hillside used for pasture.

(d) The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.

(e) In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.

(f) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505."

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2586, A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

Reported the same back with the following amendments:

Page 2, line 4, after the third comma insert "the Dahl House,"

Page 2, line 32, delete "and"

Page 2, delete lines 33 to 36

Page 3, delete lines 1 to 3, and insert:

"(8) one appointee of the Minnesota Historical Society;

- (9) one appointee of the Minnesota Humanities Commission;
- (10) one appointee of District Council Number 17;
- (11) one appointee of the Minnesota Association of Museums;
- (12) one appointee of the Heritage Preservation Commission;
- (13) one appointee of the Minnesota department of tourism; and
- (14) one appointee of the Saint Paul Chamber of Commerce."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rodosovich from the Committee on Health and Human Services to which was referred:

H. F. No. 2603, A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided in a hospital swing bed to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. [SKILLED AND INTERMEDIATE NURSING CARE.] Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (a) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (b) the health care financing administration approves the necessary state plan amendments; (c) the patient was screened as provided by law; (d) the patient no

longer requires acute care services; and (e) no nursing home beds are available within 25 miles of the facility. Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

Reported the same back with the following amendments:

Page 1, line 13, after the period insert "This report must be filed annually on December 31."

Pages 1 and 2, delete section 2

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2642, A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 7 to 20, and insert:

"Section 1. Minnesota Statutes 1990, section 190.25, subdivision 1, is amended to read:

Subdivision 1. The adjutant general is hereby authorized to acquire in the name of the state by purchase, lease, gift, or condemnation, all lands which the adjutant general may deem necessary, including lands already devoted to a public use, for military training purposes, adjacent to or in the vicinity of the military field training center at Camp Ripley, or at any other suitable place in this state, subject to the limitations of funds appropriated and available."

Delete the title and insert:

"A bill for an act relating to military; authorizing the adjutant general to lease certain land; amending Minnesota Statutes 1990, section 190.25, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy from the Committee on Energy to which was referred:

H. F. No. 2685, A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring that all new residential combustion appliances be unable to spill combustion gases into homes regardless of the airtightness or operating condition of the home; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivision 1,

and by adding subdivisions; and Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 216C.19, subdivision 1, is amended to read:

Subdivision 1. After consultation with the commissioner and the commissioner of public safety, the commissioner of transportation shall, ~~pursuant to adopt rules under chapter 14, promulgate rules~~ establishing ~~maximum minimum~~ energy use efficiency standards for street, highway, and parking lot lighting. The standards shall ~~must~~ be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting shall ~~may~~ be installed in violation of these rules ~~and~~. Existing lighting levels shall ~~be reduced consistent with the rules as soon as feasible and practical, consistent with overall energy conservation~~ light fixtures, excluding roadway sign lighting, using lamps with efficiencies less than 70 lumens per watt must be replaced when worn out with fixtures using lamps with efficiencies of at least 70 lumens per watt.

Sec. 2. Minnesota Statutes 1990, section 216C.19, subdivision 13, is amended to read:

Subd. 13. No new room air conditioner ~~or room air conditioner heat pump~~ shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio of 7.0 ~~or higher~~. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 ~~or higher~~. For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical input in watts. The cooling capacity, electrical input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating equal to or greater than the values adopted under subdivision 8.

Sec. 3. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 16. [LAMPS.] (a) For purposes of this subdivision, the following terms have the meanings given them in this paragraph:

(1) "lamp efficiency" means the lumen output of a lamp divided by its wattage, expressed in lumens per watt;

(2) "lamp wattage" means the total electrical power consumed by a lamp in watts;

(3) "life" means the average rated life of a lamp in hours;

(4) "nonreflector general service incandescent lamps" means lamps, including tungsten-halogen lamps, that have rated wattage between 30 and 199, E26 medium screw bases, rated voltage or voltage ranges lying at least in part within 115 and 130 volts; and

(5) "reflector incandescent lamps" means lamps containing inner reflective coatings on the outer bulbs to direct light.

(b) No lamp may be sold in Minnesota unless it meets or exceeds the following standards for lamp efficiency:

(1) for nonreflector general service incandescent lamps with nominal wattages between 30 and 36 and a life of 750 to 1,999 hours, 11.7 lumens per watt;

(2) for nonreflector general service incandescent lamps with nominal wattages between 30 and 36 and a life of 2,000 to 2,999 hours, 10.4 lumens per watt;

(3) for nonreflective general service incandescent lamps with nominal wattages between 30 and 36 watts and a life of 3,000 to 4,499 hours, 10 lumens per watt;

(4) for nonreflector general service incandescent lamps with nominal wattages between 37 and 57 and a life of 750 to 1,999 hours, 13.7 lumens per watt;

(5) for nonreflector general service incandescent lamps with nominal wattages between 37 and 57 and a life of 2,000 to 2,999 hours, 12.4 lumens per watt;

(6) for nonreflector general service incandescent lamps with nominal wattages of 37 to 57 and a life of 3,000 to 4,499, 10.9 lumens per watt;

(7) for nonreflector general service incandescent lamps with nominal wattages of 58 to 70 and a life of 700 to 1,999 hours, 15 lumens per watt;

(8) for nonreflector general service incandescent lamps with nominal wattages of 58 to 70 and a life of 2,000 to 2,999 hours, 13.4 lumens per watt;

(9) for nonreflector general service incandescent lamps with nominal wattages of 58 to 70 and a life of 3,000 to 4,499 hours, 12 lumens per watt;

(10) for nonreflector general service incandescent lamps with nominal wattages of 71 to 95 and a life of 700 to 1,999 hours, 16.6 lumens per watt;

(11) for nonreflector general service incandescent lamps with nominal wattages of 71 to 95 and a life of 2,000 to 2,999 hours, 13.6 lumens per watt;

(12) for nonreflector general service incandescent lamps with nominal wattages of 71 to 95 and a life of 3,000 to 4,499 hours, 12.1 lumens per watt;

(13) for nonreflector general service incandescent lamps with nominal wattages of 96 to 142 and a life of 700 to 1,999 hours, 17.9 lumens per watt;

(14) for nonreflector general service incandescent lamps with nominal wattages of 96 to 142 and a life of 2,000 to 2,999 hours, 15.5 lumens per watt;

(15) for nonreflector general service incandescent lamps with nominal wattages of 96 to 142 and a life of 3,000 to 4,499 hours, 14 lumens per watt;

(16) for nonreflector general service incandescent lamps with nominal wattages of 143 to 160 and a life of 700 to 1,999 hours, 20 lumens per watt;

(17) for nonreflector general service incandescent lamps with nominal wattages of 143 to 160 and a life of 2,000 to 2,999 hours, 16.5 lumens per watt;

(18) for nonreflector general service incandescent lamps with nominal wattages of 143 to 160 and a life of 3,000 to 4,499 hours, 15 lumens per watt;

(19) for reflector incandescent lamps with nominal wattages of 51 to 66, 11 lumens per watt;

(20) for reflector incandescent lamps with nominal wattages of 67 to 85, 12.5 lumens per watt;

(21) for reflector incandescent lamps with nominal wattages of 86 to 115, 14 lumens per watt;

(22) for reflector incandescent lamps with nominal wattages of 116 to 155, 14.5 lumens per watt; and

(23) for reflector incandescent lamps with nominal wattages of 156 to 205, 15 lumens per watt.

(c) This subdivision does not apply to general service incandescent lamps specifically designed for:

(1) traffic signal or street lighting service;

(2) airway, airport, aircraft, or other aviation service;

(3) marine or marine signal service;

(4) photo, projection, sound reproduction, or film viewer service;

(5) stage, studio, or television service;

(6) mill, sawmill, or other industrial process service;

(7) mine service;

(8) headlight, locomotive, street railway, or other ground transportation service;

(9) heating applications as described in the Illuminating Engineering Society 1984 Reference Handbook;

(10) code beacon, marine signal, lighthouse, reprographic, or other communication service;

(11) medical or dental service;

(12) microscope, map, microfilm, or other specialized equipment service; or

(13) swimming pool or other underwater service.

Sec. 4. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 17. [MOTORS.] No motor covered by this subdivision, excluding those sold as part of an appliance, may be sold in Minnesota unless its nominal efficiency meets or exceeds the values adopted under subdivision 8.

Sec. 5. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 18. [COMMERCIAL HEATING, AIR CONDITIONING, AND VENTILATING EQUIPMENT.] (a) This subdivision applies to electrically operated unitary and packaged terminal air conditioners and heat pumps, electrically operated water-chilling packages, gas- and oil-fired boilers, and warm air furnaces and combination warm air furnaces and air conditioning units installed in buildings housing commercial or industrial operations.

(b) No commercial heating, air conditioning, or ventilating equipment covered by this subdivision may be sold or installed in Minnesota unless it meets or exceeds the minimum performances standards established by ASHRAE standard 90.1.

Sec. 6. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 19. [SHOWERHEADS; FAUCETS.] (a) No showerhead, other than a safety shower showerhead, may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

(b) No kitchen faucet or kitchen replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

(c) No lavatory faucet or lavatory replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of two gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

Sec. 7. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 20. [RULES.] The commissioner shall adopt rules to implement subdivisions 13 and 16 to 19, including rules governing testing of products covered by those sections. The rules may make allowance for wholesalers, distributors, or retailers who have inventory or stock which was acquired prior to July 1, 1993. The rules must consider appropriate efficiency requirements for motors used infrequently in agricultural and other applications.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation

with the council, may adopt standards for continuing education requirements and course approval. The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.

Sec. 9. [DEADLINE FOR RULEMAKING.]

The rules required by section 7 must be in effect by the effective date of sections 2 to 6.

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 6 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for air conditioners, lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivisions 1, 13, and by adding subdivisions; Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2707, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Sec. 2. [EXCHANGE OF LAND; AITKIN COUNTY.]

Subdivision 1. Notwithstanding the requirements of Minnesota Statutes, sections 94.341 to 94.348 and 103F.535 or any other law, and with the approval of the land exchange board, the commissioner of natural resources shall exchange the land described in subdivision 3 for land owned by Thomas Godward, et. al., and described in subdivision 4.

Subdivision 2. The exchange must be in a form approved by the attorney general after the attorney general has determined, in the manner provided for in Minnesota Statutes, section 94.343, subdivision 9, that the title of the land proposed to be conveyed to the state is good and marketable. The land the state receives must be substantially equal in value to the state land exchanged and any deficiency in value must be paid to the state.

Subd. 3. Subject to the provisions of this section, the commissioner shall exchange the property described in this subdivision for the property owned by Thomas Godward, et. al., which is described in subdivision 4.

W1/2 of the NE 1/4 of section 18-48-26; E1/2 of the SW 1/4 of the SE 1/4 of section 7-48-26; and the W1/2 of the SE 1/4 of section 13-48-27 except the South 66 feet, all in Aitkin county, containing 176 acres, more or less.

Subd. 4. [GODWARD PROPERTY.] Thomas Godward, et. al., may exchange the real property described in this subdivision for the real property owned by the state and described in subdivision 3.

S1/2 of the NE 1/4, and the SE 1/4 of the NW 1/4 of section 33-48-24, subject to the railroad right of way and less 1 acre (to be specifically described in the deed of conveyance); and the N1/2 of the NW 1/4 of section 22-46-23 all in Aitkin county containing 175 acres, more or less."

Renumber the remaining section

Page 1, line 21, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, after "county" insert ", and the exchange of certain state-owned lands in Aitkin county"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2717, A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; modifying requirements relating to sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; and 103I.301, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 16B.92, is amended by adding a subdivision to read:

Subd. 1a. [STATEWIDE NITRATE DATA BASE.] The commissioner, through the center, shall maintain a statewide nitrate data base containing the data described in section 2.

Sec. 2. [103A.403] [STATEWIDE NITRATE DATA.]

The environmental quality board shall ensure that all available data regarding the presence of nitrates in groundwater in the state that meet the standards established by the nitrate data task force are integrated into the Minnesota land management information center's statewide nitrate data base according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data or, if the data are not generated by an entity that receives direct state appropriations in the current fiscal year, by the environmental quality board.

Sec. 3. Minnesota Statutes 1991 Supplement, section 103I.222, is amended to read:

103I.222 [USE OF POLYVINYL CHLORIDE.]

The department shall adopt emergency rules within six months, and permanent rules within one year, of May 25, 1991, designed to allow use of flush threaded polyvinyl chloride casing and screens used for leak detection and monitoring wells at underground or aboveground petroleum storage tank sites and agricultural chemical incident sites.

Sec. 4. Minnesota Statutes 1991 Supplement, section 103I.235, is amended to read:

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515A.

(f) For an area owned in common under chapter 515 or 515A the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision.

(h) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(i) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of \$10 for receipt of a completed well disclosure certificate for filing. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health \$7.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the

certificate as an electronic image. A copy of that image shall be as valid as the original.

(j) No new well disclosure certificate is required on property unless under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status or numbers and number of wells on the property has have not changed from since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(k) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(l) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 5. Minnesota Statutes 1991 Supplement, section 103I.301, subdivision 1, is amended to read:

Subdivision 1. [WELLS AND BORINGS.] (a) A property owner must have a well or boring sealed if:

(1) the well or boring is contaminated or may contribute to the spread of contamination;

(2) the well or boring was attempted to be sealed but was not sealed according to the provisions of this chapter; or

(3) the well or boring is located, constructed, or maintained in a manner that its continued use or existence endangers groundwater quality or is a safety or health hazard.

(b) A well that is not in use must be sealed unless the property owner has a maintenance permit for the well.

(c) ~~The property owner must have a well contractor or limited well sealing contractor seal a well or boring sealed by a registered or licensed person authorized to seal the well or boring, consistent with provisions of this chapter.~~

Sec. 6. Minnesota Statutes 1990, section 103I.301, subdivision 4, is amended to read:

Subd. 4. [SEALING PROCEDURES.] Wells, ~~monitoring wells, and dewatering wells and borings~~ must be sealed according to rules adopted by the commissioner.

Sec. 7. Minnesota Statutes 1990, section 103I.315, is amended to read:

103I.315 [ORDERS TO SEAL WELLS AND BORINGS.]

Subdivision 1. [ORDER TO SEAL WELL OR BORING.] The commissioner may order a property owner to seal a well or boring if:

(1) the commissioner determines that without being sealed the well or boring is an imminent threat to public health or public safety;

(2) the well or boring is required to be sealed under section 103I.301; or

(3) a well is a monitoring well or dewatering well and by 14 months after construction of the well, the owner has not obtained a maintenance permit, or after a maintenance permit has been issued the owner has not renewed a maintenance permit.

Subd. 2. [FAILURE OF OWNER TO SEAL WELL OR BORING.] If the property owner fails to seal a well or boring in the time provided in the commissioner's order, or if the commissioner is unable to identify or locate the property owner, the commissioner may enter the property and have the well or boring sealed. The property owner is liable for and must pay the costs of sealing the well or boring.

Sec. 8. Minnesota Statutes 1990, section 103I.341, subdivision 1, is amended to read:

Subdivision 1. [LIEN FOR SEALING COSTS.] The commissioner and the board of water and soil resources have a governmental services lien under section 514.67 for the costs of sealing a well or boring that the commissioner or board has contracted to be sealed

under section 103I.315, subdivision 2; 103I.331; or 103I.335. The lien attaches to the real property where the well or boring is located. The lien is perfected by filing the lien with the county recorder or registrar of titles where the well or boring and the property are located and serving or mailing by return receipt a copy of the lien to the property owner.

Sec. 9. Minnesota Statutes 1990, section 103I.341, subdivision 5, is amended to read:

Subd. 5. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners ~~shall by the board of water and soil resources must~~ be deposited in the state treasury and credited to the account from which the amounts were originally appropriated. The amounts ~~recovered by the board of water and soil resources~~ are continuously appropriated to the board for sealing wells.

Sec. 10. [103I.345] [WELL SEALING ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a special account:

(1) all money recovered by the commissioner under section 103I.341;

(2) all money paid under section 103I.705 or under any agreement, stipulation, or settlement resolving an enforcement action brought by the commissioner;

(3) all interest attributable to investment of money credited to the account; and

(4) all money received in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of the account.

Subd. 2. [EXPENDITURES.] (a) Subject to appropriation by law, money in the account established under subdivision 1 may be used by the commissioner for sealing wells and borings.

(b) In spending money under this subdivision, the commissioner shall give priority to the sealing by July 1, 1997, of all multi-aquifer wells and borings entering the Mt. Simon-Hinckley aquifer that the commissioner has authority to seal under section 103I.315, subdivision 2.

Sec. 11. [REPORT ON CLEANUP POLICIES; COSTS; AND ENVIRONMENTAL CONSULTING SERVICES.]

(a) The commissioners of commerce and agriculture, in consultation with the commissioners of the pollution control agency and finance, the attorney general, and appropriate professional organizations, shall prepare a report on procedures for evaluating the severity of spills, procedures for evaluating appropriate cleanup methods, procedures for evaluating economic and environmental cost-benefit ratios, and the role and cost of environmental consulting services for which reimbursement has been paid under Minnesota Statutes, sections 18E.04 and 115C.09. The report must include:

(1) a description of the services provided by environmental consulting services and the qualifications of the persons providing the services;

(2) an evaluation of the reasonableness of the fees charged for the environmental consulting services;

(3) recommendations on ways to ensure that environmental consulting services for which reimbursement is paid by the state are cost-effective and of a minimum acceptable level of quality;

(4) recommendations on methods to streamline the approval process for cleanup after an incident has been reported; and

(5) circumstances under which it is appropriate to recommend the employment of an environmental consulting service.

(b) The report must be submitted to the legislative water commission by February 15, 1993.

Sec. 12. [APPROPRIATION.]

\$..... is appropriated from the fund to the commissioner of health for transfer to the well sealing account established in section 10."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103L301, subdivision 4; 103L315; and 103L341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections

16B.92, by adding a subdivision; 103I.222; 103I.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I."

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2746, A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103C.331, is amended by adding a subdivision to read:

Subd. 19. [ADMINISTRATION OF OFFICIAL CONTROLS.] A district may, under a joint powers agreement under section 471.59, accept delegation from a county or city of authority to administer soil and water conservation-related official controls, as defined in section 103B.305, subdivision 7, of the county or city as specified in the agreement. The agreement must include provisions requiring that:

(1) all costs incurred by the district in administering the controls will be reimbursed by the county or city;

(2) the district will provide notice and hearing in the same instances that the county or city would; and

(3) the county or city will provide legal advice and support when requested by the district for administration and enforcement."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2855, A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; imposing civil penalties; amending Minnesota Statutes 1990, sections 97C.203; 97C.211, subdivision 1; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 97C.209.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [17.4981] [GENERAL CONDITIONS FOR REGULATION OF AQUATIC FARMS.]

Aquatic farms are licensed to culture private aquatic life. Cultured aquatic life is not wildlife. Aquatic farms must be licensed and given classifications to prevent or minimize impacts on natural resources. The purpose of sections 1 to 15 is to:

- (1) prevent public aquatic life from entering an aquatic farm;
- (2) prevent release of nonindigenous or exotic species into public waters without approval of the commissioner;
- (3) protect against release of disease pathogens to public waters;
- (4) protect existing natural aquatic habitats and the wildlife dependent on them; and
- (5) protect private aquatic life from unauthorized taking or harvest.

Private aquatic life that is legally acquired and possessed is an article of interstate commerce and may be restricted only as necessary to protect state fish and water resources.

Sec. 2. [17.4982] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 15.

Subd. 2. [APPROVED LABORATORY METHODS.] “Approved laboratory methods” means methods described in the latest edition of the “Procedures for the Detection and Identification of Certain

Fish Pathogens" published by the American Fisheries Society Fish Health Section known as the Fish Health Blue Book.

Subd. 3. [AQUARIUM FACILITIES.] "Aquarium facilities" means facilities that rear or hold private aquatic life for sale for aquarium or display purposes.

Subd. 4. [AQUATIC FARM.] "Aquatic farm" means a licensed facility used for hatching, raising, rearing, and culturing private aquatic life in waters and preparing aquatic life for sale, including, but not limited to, ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or waters of which an aquatic farmer has the use.

Subd. 5. [AQUATIC LIFE.] "Aquatic life" has the meaning given to "private aquatic life" in section 17.47, subdivision 7, and for purposes of commercial transactions, aquatic life is livestock.

Subd. 6. [CERTIFIABLE DISEASES.] "Certifiable diseases" include channel catfish virus, bacterial kidney disease, bacterial furunculosis, enteric redmouth disease, enteric septicemia of catfish, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, proliferative kidney disease, viral hemorrhagic septicemia virus, epizootic epitheliotropic virus, ceratomyxosis, and any emergency disease.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility for salmonids or catfish that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

(1) disinfects its effluent to the standards in section 9 before the effluent is discharged to public waters, if the facility contains catfish and discharges into or upstream of waters containing catfish or if the facility contains salmonids and discharges into or upstream of waters containing salmonids;

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life for food consumption only;

(4) contains aquatic life requiring a fish health inspection prior to transportation.

Subd. 9. [EMERGENCY FISH DISEASE.] "Emergency fish disease" means designated fish diseases not already present in this state that could impact populations of aquatic life if inadvertently

released by infected aquatic life, including channel catfish virus, viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease or any other disease listed in a rule or published by the commissioner in the State Register on an emergency basis to be effective for not more than 240 days.

Subd. 10. [ENZOOTIC.] "Enzootic" means a disease that is known to occur within well-defined geographic boundaries.

Subd. 11. [FISH HEALTH BLUE BOOK.] "Fish Health Blue Book" means the standardized set of procedures and guidelines established and published by the American Fisheries Society Fish Health Section for the detection and isolation of fish pathogens.

Subd. 12. [FISH HEALTH INSPECTION.] "Fish health inspection" means an on-site, statistically based sampling in accordance with processes in the Fish Health Blue Book for all lots of fish in a facility. The inspection must include at least viral testing of ovarian fluids at the 95 percent confidence level of detecting two percent incidence of disease (ovarian fluids must be sampled for certification of viral hemorrhagic septicemia and infectious hematopoietic necrosis). Bacterial diseases must be sampled at the 95 percent confidence level with a five percent incidence of disease. The inspection must be performed by a fish health inspector in cooperation with the producer with subsequent examination of the collected tissues and fluids for the detection of certifiable diseases.

Subd. 13. [FISH HEALTH INSPECTOR.] "Fish health inspector" means an individual certified as a fish health inspector by the American Fisheries Society or state, federal, or provincial resource management agency, except that a certification may not be made by an inspector who has a conflict of interest in connection with the outcome of the certification.

Subd. 14. [GAME FISH.] "Game fish" has the meaning given in section 97A.015, subdivision 25, except that green or orange spotted sunfish are not game fish for purposes of determining fish of significant public value.

Subd. 15. [INTENSIVE CULTURE.] "Intensive culture" means the rearing of fish at densities greater than can be supported in the natural environment.

Subd. 16. [LICENSED FACILITY.] "Licensed facility" means a licensed aquatic farm, including all licensed waters.

Subd. 17. [LOT.] "Lot" means a group of fish of the same species and age that originated from the same discrete spawning population

and that always have shared a common water supply. Various age groups of adult brood stock of the same species may comprise the same lot if they have shared the same containers for one brood cycle.

Subd. 18. [MINNOWS.] "Minnows" has the meaning given in section 97A.015, subdivision 29, except the 12-inch restriction on sucker minnows does not apply.

Subd. 19. [PUBLIC WATERS.] "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 20. [QUARANTINE FACILITY.] "Quarantine facility" means a culture system that is enclosed in a building and is separated from other fish culture facilities where fish can be isolated and maintained while preventing their introduction and pathogen introduction into the environment.

Subd. 21. [STANDARD FACILITY.] "Standard facility" means a licensed facility with a continual or intermittent discharge of effluent to public waters.

Subd. 22. [WATERS OF THE STATE.] "Waters of the state" has the meaning given in section 103G.005, subdivision 17.

Sec. 3. [17.4983] [AQUATIC FARM OPERATIONS.]

Subdivision 1. [ACQUISITION AND SALE OF PRIVATE AQUATIC LIFE.] Aquatic life legally possessed may be bought, acquired, and sold by licensed facilities as provided in sections 1 to 15.

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair market value. Fair market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life

outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair market value if there is a surplus from state operations.

Subd. 3. [METHODS TO HARVEST AQUATIC LIFE.] Licensed facilities may use all reasonable methods to operate and harvest aquatic life from licensed facilities, including available nets.

Subd. 4. [DISCHARGE MAY REQUIRE PERMIT.] The discharge from an aquatic farm must comply with discharge permits required by the Minnesota pollution control agency.

Subd. 5. [OWNERSHIP OF AQUATIC LIFE.] (a) Notwithstanding other provisions of law, aquatic life lawfully acquired and possessed by a licensed facility is private aquatic life and property of the owner of the licensed facility.

(b) The state may not seize or otherwise confiscate private aquatic life without due process of law, except that private aquatic life in public waters may become property of the state if the waters are not part of a licensed facility. The commissioner shall notify the licensee that the aquatic life in a facility that is no longer licensed will become property of the state if the aquatic life is not removed. If the licensee does not respond in writing within 30 days after receiving the notice and make alternative arrangements, or does not remove the aquatic life by 60 ice-free days after receiving the notice, the private aquatic life becomes property of the state.

(c) Private aquatic life that is transferred to the state or released into public waters that are not part of a licensed facility is owned by the state and may be considered wildlife.

Subd. 6. [CONTROL OF LICENSED WATERS.] (a) If the public cannot legally access waters of the state that are part of a licensed aquatic farm except by permission of the licensee, the use of the waters by the public is subject to restriction by the licensee.

(b) Waters of the state may not be licensed for aquaculture use to more than one licensee.

Subd. 7. [ANGLING IN LICENSED WATERS.] A person may not take fish by angling from waters subject to subdivision 6 unless the person has written permission from the licensee and:

(1) has an invoice when in possession of fish; or

(2) takes fish under an angling license, subject to the limits and conditions in the game and fish laws.

Sec. 4. [17.4984] [AQUATIC FARM LICENSE.]

Subdivision 1. [LICENSE REQUIRED.] (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license on payment of the required license fee under section 8.

(e) A license issued by the commissioner is not a determination of private property rights, but is only based on a determination that the licensee does not have a significant detrimental impact on the public resource.

Subd. 2. [LISTED WATERS.] (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water;

(2) whether aeration requiring a permit is approved; and

(3) whether piscicide use is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(d) Waters containing game fish of significant public value may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing game fish of significant public value may be denied licensing unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

Subd. 3. [LISTED SPECIES.] (a) An aquatic farm license must list the species of aquatic life appropriate for the classification of the waters. Listed species of aquatic life may be changed on written request to and approval by the area fisheries supervisor. Species of aquatic life regulated under chapter 97A, 97B, or 97C may not be cultured unless listed on the license.

(b) All waters licensed before July 1, 1992, under a private fish farm or fish hatchery license must be approved for species listed under current licenses if other conditions for licensing are met.

(c) If licensed waters are located within a 25-year floodplain and are not enclosed within a building, species of aquatic life may be licensed at the discretion of the commissioner.

(d) Licensed waters located outside of a 25-year floodplain or enclosed within a building may be licensed for any species, except that the commissioner may deny licensing for species not present in the state.

Subd. 4. [SINGLE LICENSE FOR AQUATIC FARMING OPERATION.] The commissioner shall issue a single license for aquatic farming, with the following information and endorsements:

(1) waters covered by the license;

(2) classification of each of the licensed waters;

(3) aeration endorsement for each licensed water where the licensee has exclusive control of riparian access or where the conditions for an aeration permit have been met; and

(4) endorsements requested by the licensee.

Subd. 5. [STATE LIST OF WATERS.] If the state uses waters of the state for aquatic farming, the state shall acquire legal access to the waters and make documentation of the access available to the public.

Subd. 6. [INSPECTIONS AND ENFORCEMENT.] (a) The premises, property, vehicles, private aquatic life, and equipment where private aquatic farm operations are being conducted are subject to an annual operations inspection and other reasonable and necessary inspections at reasonable times by conservation officers. The reason for the inspection must be provided in writing upon request. The owner, operator, or designee may be present when inspections are conducted.

(b) Conservation officers may enforce sections 1 to 15 under section 97A.205.

Subd. 7. [NONPUBLIC RECORDS.] (a) Licensees must keep complete, up-to-date, nonpublic records of the operation of the aquatic farm. The records must be kept for at least three years.

(b) The records must be in English and include the following information:

(1) for each species acquired, the number and pounds of fish or eggs acquired, names and addresses of the sources from which acquired, and the dates of receipt;

(2) for each species sold or disposed of, the number and pounds of fish sold or disposed of, the names and addresses of the purchasers or persons to whom the conveyances are made, and the dates of sale; and

(3) for fish sperm or viable eggs, the amount acquired or sold, the names and addresses of the sources from which acquired, the purchasers to whom conveyed, and the dates of purchase or sale;

(c) On or before March 1 of each year, the licensee shall submit a complete annual report on a form furnished by the commissioner, covering the quantity of all species sold or purchased in the preceding licensed year.

(d) An aquatic farmer shall maintain records for reasonable inspection by the commissioner. Information on aquatic life production, harvest, and sales is nonpublic information.

Sec. 5. [17.4985] [TRANSPORTATION OF AQUATIC LIFE.]

Subdivision 1. [REQUIREMENTS FOR IMPORTATION, TRANSPORTATION WITHIN THE STATE, OR STOCKING OF FISH.]

Except as provided in subdivision 3, a licensee may not import aquatic life into the state, transport aquatic life within the state, or stock waters of the state with aquatic life without first obtaining a bill of lading or transportation permit from the commissioner, with disease certification, if applicable.

Subd. 2. [BILL OF LADING.] (a) A person may transport aquatic life except salmonids or catfish with a completed bill of lading for:

(1) intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper classification for the aquatic life; and

(2) stocking of waters other than public waters.

(b) When aquatic life is transported between licensed private fish hatcheries, aquatic farms, or aquarium facilities, a copy of the bill of lading must be submitted to the regional fisheries manager:

(1) at least 72 hours before the transportation if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states; or

(2) within 30 days in cases not covered by clause (1).

(c) A bill of lading is also required at least 72 hours before any transportation between licensed waters of the same licensee if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states.

(d) A copy of the bill of lading must be submitted to the regional fisheries manager 72 hours before transportation for stocking of fish into public waters, except that a bill of lading may be issued for transportation and stocking following telephone or telecopy confirmation that the waters to be stocked are not public waters.

(e) Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.] (a) A bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish, except salmonids and catfish, from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish being exported if accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life;

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days; or

(8) transfer of aquatic life between licensed waters of the same licensee, except where required in subdivision 2.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Subd. 4. [TRANSPORTATION PERMIT REQUIREMENTS.] A transportation permit is required for all importation, transportation, or stocking of private aquatic life not covered by subdivision 2 or exempted in subdivision 3. A transportation permit may be used for multiple shipments within the 30-day term for the permit if the source and the destination remains the same. Transportation permits, which may authorize importation or stocking of public waters, may be issued through department of natural resources regional offices or the St. Paul office, and must be obtained prior to shipment.

Subd. 5. [PERMIT APPLICATION.] An application for a transportation permit must be made on forms provided by the commissioner. An incomplete application must be rejected. An application for a transportation permit for salmonids and catfish, their eggs, or sperm must be accompanied by certification that the source of the eggs or sperm are free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported, transported, or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported, transported, or stocked into areas where the disease has been previously introduced. A copy of the transportation permit showing the date of certification inspection must accompany the shipment of

fish while in transit and must be available for inspection by the commissioner. By 14 days after a completed application is received, the commissioner must approve or deny the importation permits as provided in this section.

Subd. 6. [VEHICLE IDENTIFICATION.] (a) A vehicle used by a licensee for transporting aquatic life must be identified with the licensee's name and town of residence as it appears on the license and the license number.

(b) A vehicle used by a licensee must have identification displayed so that it is readily visible from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and with a three-eighths inch wide stroke. Identification may be permanently affixed to vehicles or displayed on removable plates or placards placed on opposite doors of the vehicle or on the tanks carried on the vehicle.

(c) An application to license a vehicle for minnow transport or export or for use as a fish vendor that is received by the commissioner is a temporary license until it is approved or denied.

Sec. 6. [17.4986] [IMPORTATION OF AQUATIC LIFE.]

Subdivision 1. [IMPORTATION AND STOCKING RESTRICTIONS.] A person may not import fish into or stock fish in the state without first obtaining a transportation permit with a disease certification when required or a bill of lading from the commissioner, unless the person is exempted.

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;

(2) trout, salmon, and catfish from a nonemergency disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced; and

(3) trout, salmon, and catfish from a facility in a nonemergency disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced.

(b) If a source facility in an emergency disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Subd. 3. [ENZOOTIC DISEASE AREA.] (a) Except as otherwise provided and except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced, fish may be imported from emergency disease enzootic areas only as fertilized eggs under the following conditions:

(1) to be imported into a standard facility, fertilized eggs must have a disease-free history for at least five years;

(2) to be imported into a containment facility, fertilized eggs must have a disease-free history for at least three years; or

(3) to be imported into a quarantine facility, fertilized eggs may have a disease-free history of less than three years.

(b) A hatchery inspection must occur at least once a year and fish must have been tested for all certifiable diseases. Fish health inspections under this subdivision must comply with section 2, subdivision 12.

Sec. 7. [17.4987] [STOCKING PRIVATE AQUATIC LIFE.]

(a) A person may not release private aquatic life into public waters that are not licensed as part of an aquatic farm without first obtaining a transportation permit from the commissioner. The commissioner may deny issuance of a permit if releasing the private aquatic life is not consistent with the management plan for the public waters. The commissioner shall make management plans available to the public.

(b) If a permit is denied, the commissioner must provide reasons for the denial in writing.

Sec. 8. [17.4988] [LICENSE AND INSPECTION FEES.]

Subdivision 1. [REQUIREMENTS FOR ISSUANCE.] A permit or license must be issued by the commissioner if the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. [AQUATIC FARMING LICENSE.] (a) The annual fee for an aquatic farming license is \$275.

(b) The aquatic farming license must contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

(1) minnow dealer license;

(2) minnow retailer license for sale of minnows as bait;

(3) minnow exporting license;

(4) minnow dealer helper license;

(5) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow hauler vehicle license, and a fish vendor vehicle license;

(6) sucker egg taking license; and

(7) game fish packers license.

Subd. 3. [INSPECTION FEES.] The fees for the following inspections are:

(1) initial inspection of each water to be licensed, \$50;

(2) fish health inspection and certification, \$20 plus \$80 per lot thereafter; and

(3) initial inspection for containment and quarantine facility inspections, \$50.

Subd. 4. [AQUARIUM FACILITY.] (a) A person may not operate an aquarium facility without an aquarium facility license issued by the commissioner. The fee for an aquarium facility license is \$15.

(b) Game fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 5, subdivision 3, paragraph (b).

Sec. 9. [17.4991] [DISEASE TRANSMISSION.]

Subdivision 1. [FACILITY DESIGNATION.] (a) The licensee may apply to the commissioner for designation of all or a portion of a facility as a standard, containment, or quarantine facility on forms prescribed by the commissioner as part of the license application or separately.

(b) By 15 business days after an application is submitted, the commissioner must notify the applicant if there are any deficiencies in the application. By 30 business days after a complete application is submitted, the commissioner shall approve or deny the designation requested. A denial must include an assessment of the actual risk to wildlife populations at the particular site. A containment designation must be approved if the facility meets the disinfection requirements of subdivision 2 and complies with section 2, subdivision 8.

Subd. 2. [DISINFECTION.] (a) Containment facilities must disinfect effluent prior to discharge to public waters. The effluent required to be disinfected includes water used by a containment facility in the production of the aquatic life of concern, waste or mortalities from the aquatic life of concern, and live forage or commercial feed discarded from the containment facility. Runoff from precipitation and excess water from natural springs, wells, or other sources that is not used in the production of aquatic life is not effluent to be disinfected.

(b) The disinfection must minimize the potential release of disease pathogens to wildlife susceptible to the pathogens based on a reasonable risk assessment. Disinfection treatment processes may include chlorination or other processes. If chlorine disinfection is utilized, a measurable residual level of 1.0 parts per million of active chlorine in the effluent must be maintained for one hour of retention time. The effluent must be sufficiently dechlorinated to prevent toxic adverse impacts to wildlife after discharge to public waters.

(c) A disinfection treatment process must ensure uninterrupted effluent treatment in the event of electrical power failure, a primary system failure, or other similar events that would cause treatment interruptions.

(d) The effluent disinfection process must be sited, designed, and operated in a manner that allows inspection by the commissioner at all times to determine whether adequate effluent disinfection is maintained.

(e) The commissioner may prescribe reasonable documentation of daily monitoring of treatment system performance to be included in the licensee's annual report. The records must be available for daily inspection by the commissioner during normal business hours and maintained for three years.

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by a certified fish health inspector. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the fish in the facility to be impounded, confiscated, sold, or destroyed and the facility disinfected. The commissioner shall make every effort to allow disposed fish to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations or human health or of escape of the pathogen to public waters.

Sec. 10. [17.4992] [GAME FISH.]

Subdivision 1. [ACQUISITION AND PURCHASE.] Game fish sperm, viable game fish eggs, or live game fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from aquatic farms.

Subd. 2. [RESTRICTION ON THE SALE OF GAME FISH.] Species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm, except that eggs with enteric redmouth, whirling disease, or furunculosis may be transferred or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease may be transferred or stocked to areas where the disease has been previously introduced.

Subd. 3. [ACQUISITION OF FISH FOR BROOD STOCK.] Game fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair market value. As a one-time purchase for brood stock development, up to 20 pair of adults may be provided, if available, by the state through normal operations.

Subd. 4. [SALE OF EGGS BY THE STATE.] The commissioner may offer for sale as eggs or fry up to two percent of the department's

annual game fish egg harvest. Additional eggs or fry may be sold if they are surplus to this state's program needs.

Subd. 5. [PURCHASE OF EGGS DEPENDENT UPON FACILITY.] Licensees may purchase game fish eggs or fry from the state at a rate based on the capacity of their facility to hatch and rear fish. Licensees may purchase walleye at a rate of no more than one-half quart of eggs or 5,000 fry for each acre or fraction of licensed surface water. This limitation may be waived if an aquatic farm is an intensive culture facility. The allowable purchase of trout or salmon eggs must be based on the capacity of rearing tanks and flow of water through the aquatic farm facility.

Subd. 6. [STOCKING WALLEYES NORTH OF MARKED STATE HIGHWAY NO. 210.] Walleyes from outside of the area of the state north of marked state highway No. 210 may not be stocked in waters of the state north of marked state highway No. 210 without approval by the commissioner.

Sec. 11. [17.4993] [MINNOWS.]

Subdivision 1. [TAKING FROM PUBLIC WATERS.] A licensee may take minnow sperm, minnow eggs, and live minnows from public waters for aquatic farm purposes under an aquatic farm license.

Subd. 2. [IMPORTATION OF LIVE MINNOWS.] Minnows from outside the state may not be imported live by a licensee for purposes other than processing or feeding aquatic farm fish.

Sec. 12. [17.4994] [SUCKER EGGS.]

Sucker eggs may be taken from public waters with a sucker egg license endorsement, which authorizes sucker eggs to be taken at a rate of one quart of eggs for each 1-1/2 acres of licensed surface waters except that for intensive culture systems, sucker eggs may be taken at a rate of two quarts per 1,000 muskellunge fry being reared. The taking of sucker eggs from public waters is subject to chapter 97C and may be supervised by the commissioner.

Sec. 13. [17.4995] [RECEIPTS TO THE GAME AND FISH FUND.]

Money received by the state under sections 1 to 15 must be deposited in the state treasury and credited to the game and fish fund.

Sec. 14. [17.4996] [WHITE EARTH INDIAN RESERVATION.]

Until the commissioner reaches an agreement with the White

Earth Indian Reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport rough fish, as defined in section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth Reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source and number of the yellow perch.

Sec. 15. [17.4997] [RULES.]

The commissioner may adopt rules that are consistent with sections 1 to 14. The commissioner must notify the Minnesota aquaculture commission and the commissioner of agriculture prior to publication of the proposed rules.

Sec. 16. Minnesota Statutes 1990, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing at a price not less than the fair market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; and

(3) sale at a price not less than the fair market value, established as the average price charged at the state's private hatcheries sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and fish aquatic farms to hatch fry or raise fingerlings for sale.

(b) ~~Until July 1, 1990, the commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.~~

Sec. 17. Minnesota Statutes 1990, section 97C.301, is amended by adding a subdivision to read:

Subd. 5. [AQUATIC FARMS.] An aquatic farm licensee may take aquatic life under the aquatic farm license and its endorsements as

authorized without additional licenses under the game and fish laws.

Sec. 18. Minnesota Statutes 1990, section 97C.345, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] This section does not apply to:

- (1) nets used to take rainbow smelt during the open season;
- (2) nets used to land game fish taken by angling;
- (3) seines or traps used for the taking of minnows for bait; **and**
- (4) nets, seines, or traps possessed and used under an aquatic farm license; and
- (5) angling equipment.

Sec. 19. Minnesota Statutes 1990, section 97C.391, is amended to read:

97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) rough fish excluding ciscoes;
- (3) fish taken under licensed commercial fishing operations;
- (4) ~~fish raised in a fish farm that are identified as prescribed by the commissioner that are private aquatic life; and~~
- (5) ~~fish raised in a private hatchery that are tagged or labeled or otherwise identified as prescribed by the commissioner; and~~
- (6) fish lawfully taken and subject to sale from other states and countries.

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Large-mouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may ~~not~~ be bought or sold; ~~unless bought or sold by a private hatchery or fish aquatic farm to stock waters for recreational fishing, or as prescribed by the commissioner.~~

Sec. 20. Minnesota Statutes 1990, section 97C.505, subdivision 6, is amended to read:

Subd. 6. [APPROVED EQUIPMENT REQUIRED.] A person must use equipment approved by the commissioner to possess or transport minnows for sale. This subdivision does not apply to licensed aquatic farms.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209, are repealed.

Sec. 22. [1992 TRANSITION.]

A 1992 private fish hatchery or fish farm licensee may obtain an aquatic farm license by applying to the commissioner and paying the difference between the aquatic farm license with endorsements and the private fish hatchery or fish farm license and corresponding licenses under the game and fish laws.

Sec. 23. [EFFECTIVE DATE.]

This act is effective the day after final enactment, except section 21 is effective February 28, 1993."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; and 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209."

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 4; 474A.061, subdivision 1; and 474A.091, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) "Existing housing" means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) "Metropolitan area" means the metropolitan area as defined in section 473.121, subdivision 2.

(d) "New housing" means single-family housing that has not been previously occupied.

(e) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the ~~agency city~~ finds by resolution that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 2. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable appli-

cation fee to offset the state cost of program administration. The application fee is ~~\$100~~ \$20 for each ~~\$500,000~~ \$100,000 of entitlement or allocation requested, with the request rounded to the nearest ~~\$500,000~~ \$100,000. The minimum fee is ~~\$100~~ \$20. Fees received by the commissioner must be credited to the general fund.

Sec. 3. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16, section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law. Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.~~

Sec. 4. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and~~, the Minnesota rural finance authority, ~~and the Minnesota higher education coordinating board~~ may apply for and

receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 5. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. Section 474A.091, subdivision 5, applies to an allocation made under this section. The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 6. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] ~~Issuers other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the

application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after September 1. The Minnesota housing finance agency, the Minnesota higher education coordinating board, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 7. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;
- (2) applications for residential rental project bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, \$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds manufacturing projects and public facility bonds agricultural development bond loan projects, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified

pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 8. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1, 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, sub-

division 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Rodosovich from the Committee on Health and Human Services to which was referred:

H. F. No. 2962, A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; allowing nursing homes to limit access to certain physicians and pharmacists on the basis of quality assurance activities; amending Minnesota Statutes 1991 Supplement, sections 145.61, subdivisions 4a and 5; and 256B.48, subdivision 1.

Reported the same back with the following amendments:

Pages 3 to 7, delete section 3

Amend the title as follows:

Page 1, line 5, delete “allowing nursing”

Page 1, delete lines 6 and 7

Page 1, line 8, delete everything before “amending”

Page 1, line 9, delete the semicolon

Page 1, line 10, delete everything before the period

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 1716, A bill for an act relating to Olmsted county; permitting the appointment of the recorder; authorizing the abolishment and reorganization of the office.

Reported the same back with the following amendments:

Page 2, line 15, delete "21" and insert "30"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 2307, A bill for an act relating to elections; changing deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1334, 1910, 2043, 2190, 2267, 2320, 2360, 2499, 2504, 2543, 2586, 2603, 2608, 2642, 2685, 2707, 2746, 2884 and 2962 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2514, 1716 and 2307 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Newinski, Valento, Boo, Runbeck and Pauly introduced:

H. F. No. 2999, A resolution memorializing the President and Congress to recognize Labor Day 1992 as "Help Yourself, Buy American Day."

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

Milbert introduced:

H. F. No. 3000, A bill for an act relating to taxation; replacing the property tax refund to homeowners with Minnesota property tax share; limiting certain property taxes for homeowners to 2-1/2 percent of household income; requiring counties to separately state the amount of voter approved referendum levies on the property tax statement; amending Minnesota Statutes 1990, sections 275.07, subdivision 1; 290A.01; 290A.03, subdivisions 6 and 13; and 290A.04, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, section 276.04, subdivision 2; repealing Minnesota Statutes 1990, section 290A.04, subdivision 2b.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

S. F. No. 720.

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. 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.

March 11, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 720, 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. 720 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LANDLORD AND TENANT

Section 1. Minnesota Statutes 1991 Supplement, 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;

(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; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995.

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 fees 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 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. 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. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. (a) Every landlord shall:

(1) within three weeks after termination of the tenancy; or

(2) 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 after 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.

(b) 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) (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

(c) 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. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to:

(1) provide a written statement within three weeks of termination of the tenancy and;

(2) provide a written statement 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, or

(3) transfer or return a deposit as required by subdivision 5,

after 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. 7. 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. 8. 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. 9. 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.

Sec. 10. 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, provided that the tenant pays the rent and abides by all terms of the lease; or when

(ii) at least one month's written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. [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.

ARTICLE 2

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. 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. 2. 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 3

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.002, subdivision 24, is amended to read:

Subd. 24. [SECTION 8 PROGRAM.] "Section 8 program" means an existing housing assistance payments program under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended ~~through December 31, 1989.~~

Sec. 2. 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 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.

Sec. 3. 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 and is currently vacant, buildings and improve-

ments 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, condem-

nation, 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 for a rental housing project 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. 4. Minnesota Statutes 1990, section 469.012, subdivision 3, is amended to read:

Subd. 3. [EXERCISE OF POWERS.] An authority may exercise all or any part or combination of the powers granted by sections 469.001 to 469.047 within its area of operation. Any two or more authorities may join with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds and giving security therefor, planning, undertaking, owning, constructing, operating, or contracting with respect to a housing project located within the area of operation of any one or more of the authorities. For that purpose an authority may by resolution prescribe and authorize any other housing authority, so joining with it, to act on its behalf with respect to any or all powers, as its agent or otherwise, in the name of the authority so joining or in its own name.

A city, county, or multicounty authority may by resolution authorize another housing authority to exercise its powers within the authorizing authority's area of operation at the same time that the authorizing authority is exercising the same powers.

A county or city may join with any authority to permit the authority, on behalf of the county, town within the county, or city, to plan, undertake, administer, and carry out a leased existing housing assistance payments program, pursuant to section 8 of the United States Housing Act of 1937 as amended, 42 United States Code, section 1437f. A city may so join with an authority unless there is an authority in the city which has been authorized by resolution under section 469.003 to transact business or exercise powers. A county may so join with an authority unless (a) there is a county authority which has been authorized by resolution under section 469.004 to exercise powers, or the county is a member of a multicounty authority, and (b) the authority has initiated or has in progress an active program or has applied for federal assistance in a public housing, section 8, or redevelopment program within 12 months after its establishment.

Notwithstanding the other provisions of this subdivision, an authority administering and carrying out a leased existing housing assistance payments program, under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended, may administer the leased existing housing assistance payments program under the statutory and regulatory portability provisions of the federal section 8 existing housing assistance payments program, United States Code, title 42, section 1437f(r), as amended.

Sec. 5. 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. 6. 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. 7. 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 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 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 to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check pursuant to the order of the court.

ARTICLE 4

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [ST. PAUL ECONOMIC DEVELOPMENT PROGRAM.]

Subdivision 1. [AUTHORIZATION.] The city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a citywide economic development program. The program may:

(1) provide working capital financing, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) apply funds of the city or housing and redevelopment authority within or without the boundaries of a 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 Minnesota Statutes, sections 469.174 to 469.179;

(3) exercise the powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.108, and the powers granted to a city by Minnesota Statutes, sections 469.090 to 469.108, or Minnesota Statutes, sections 469.048 to 469.068, or other law, provided that: (i) only the city shall have the power under Minnesota Statutes, section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority; 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

(4) apply funds as permitted by clauses (1) to (3) for the financing of a public or private parking facility, child care facility, or a project as defined by Minnesota Statutes, section 469.153, subdivision 2.

Subd. 2. [SUPPLEMENTAL POWERS.] The powers authorized under this section are in addition and supplemental to any other provisions of general or special law or charter.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of St. Paul.

ARTICLE 5 MISCELLANEOUS

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.

Sec. 4. 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.

ARTICLE 6

HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [TRAINING AND HOUSING PROGRAM FOR HOMELESS ADULTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Eligible organization" means a nonprofit organization run by or for the homeless.

(b) "Homeless individual" or "homeless person" has the meaning given in United States Code, title 42, section 11302.

Subd. 2. [PLANNING GRANT.] The commissioner of the housing finance agency may make a planning grant to eligible organizations for programs to provide homeownership opportunities, education and training, or services to homeless adults. The program must 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 health services, counseling, and drug rehabilitation. The program must include a work experience and training component, job skills component, and life skills component.

Subd. 3. [WORK EXPERIENCE AND TRAINING COMPONENT.] The 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. The work experience component must include work projects that provide residential units through construction or rehabilitation for the homeless and families with income that does not exceed 50 percent of the median income for the metropolitan area. 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. 4. [JOB SKILLS COMPONENT.] The job skills 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. 5. [LIFE SKILLS COMPONENT.] The life skills 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."

Delete the title and insert:

"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; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; authorizing certain economic development activities within the city of St. Paul; providing for job training for homeless persons; amending Minnesota Statutes 1990, sections 268.362; 268.364, subdivision 4; 268.365, subdivision 2; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 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; 566.34, subdivision 2; 576.01, subdivision 2; Minnesota Statutes 1991 Supplement, sections 481.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609."

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

Senate Conferees: JAMES P. METZEN, RANDY C. KELLY AND JOHN BERNHAGEN.

House Conferees: KAREN CLARK, RICHARD H. JEFFERSON AND CONNIE MORRISON.

Clark moved that the report of the Conference Committee on S. F. No. 720 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 76 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krueger	Orenstein	Solberg
Anderson, R.	Greenfield	Lasley	Orfield	Steensma
Battaglia	Hanson	Leppik	Osthoft	Thompson
Bauerly	Hasskamp	Lieder	Peterson	Trimble
Beard	Hausman	Lourey	Pugh	Vanasek
Begich	Jacobs	Mariani	Reding	Vellenga
Bertram	Janezich	McGuire	Rest	Wagenius
Bodahl	Jaros	Milbert	Rice	Wejcman
Brown	Jefferson	Morrison	Rodosovich	Welle
Carlson	Johnson, A.	Munger	Rukavina	Wenzel
Carruthers	Johnson, R.	Murphy	Runbeck	Winter
Clark	Kahn	Nelson, S.	Sarna	Spk. Long
Cooper	Kalis	O'Connor	Schreiber	
Dauner	Kinkel	Ogren	Segal	
Dawkins	Knickerbocker	Olsen, S.	Simoneau	
Farrell	Krambeer	Olson, K.	Skoglund	

Those who voted in the negative were:

Abrams	Girard	Johnson, V.	Omann	Sviggum
Anderson, R. H.	Goodno	Kelso	Onnen	Swenson
Bettermann	Gruenes	Koppendraye	Ozment	Tompkins
Blatz	Gutknecht	Krinkie	Pauly	Tunheim
Boo	Hartle	Limmer	Pellow	Uphus
Davids	Haukoos	Lynch	Pelowski	Valento
Dille	Heir	Macklin	Schafer	Waltman
Dorn	Henry	Marsh	Seaberg	Weaver
Erhardt	Hufnagle	McEachern	Smith	Welker
Frederick	Hugoson	McPherson	Sparby	
Frerichs	Jennings	Newinski	Stanius	

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

Madam Speaker:

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

S. F. No. 1722.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1722, A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

The bill was read for the first time.

Jefferson moved that S. F. No. 1722 and H. F. No. 1861, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 1919, A bill for an act relating to trade regulations; regulating telephone advertising services; providing penalties and remedies; amending Minnesota Statutes 1990, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

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 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	Koppendrayner	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanislaus
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggun
Begich	Gutknecht	Lasley	Osthoff	Thompson
Bertram	Hanson	Leppik	Ostrom	Tompkins
Bettermann	Hartle	Lieder	Ozment	Trimble
Bishop	Hasskamp	Limmer	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vanasek
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejzman
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, S.	Schreiber	Spk. Long
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1996, A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2063, A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

H. F. No. 2135 was reported to the House.

Anderson, I., moved to amend H. F. No. 2135, the first engrossment, as follows:

Page 2, after line 18, insert:

"Sec. 2. Minnesota Statutes 1990, section 237.161, subdivision 3, is amended to read:

Subd. 3. [RATES.] (a) When the local calling area to which extended service is sought is the metropolitan local calling area in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, 75 percent of the costs of providing extended area service, as identified in subdivision 2, must be apportioned to the petitioning exchange and the remaining 25 percent apportioned to the exchange or exchanges to which extended area service is requested. When the proposed extended service area is not the metropolitan local calling area, the commission shall determine the apportionment of costs, provided that between 50 25 and 75 percent of the costs must be allocated to the petitioning exchange. The costs must be apportioned among the customers in an exchange so that the relationship between the rates for classes of basic local service remains the same. Rates within the existing metropolitan local calling area may not be raised as a result of the addition of a local exchange under this subdivision until the rates in the added exchange are at least equal to the highest rates in an adjacent exchange within the metropolitan local calling area, provided that the rates in the added exchange may not exceed the amount necessary to recover 100 percent of the costs

and ensure that the rates are income neutral for the telephone company serving the added exchange.

(b) The commission shall establish rates that are income neutral for each affected telephone company at the time at which the commission determines the extended area service rates. The commission shall consider the interests of all parties when determining a fair and equitable extended area service rate for a local telephone exchange that is newly included in the extended area service.

(c) A telephone company that provides local telephone service in an exchange that is included in an extended service area shall include the extended area service rate in the basic rate for the purpose of billing customers so that only one line item charge appears on customers' bills for both rates."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Upon objection of ten members H. F. No. 2135, as amended, was stricken from the Consent Calendar and placed on General Orders.

H. F. No. 2251 was reported to the House.

Olson, K., moved that H. F. No. 2251 be continued on the Consent Calendar. The motion prevailed.

S. F. No. 2385, A bill for an act relating to elections; special school district No. 1; allowing special school district No. 1 to change the years of its elections; amending Laws 1959, chapter 462, section 3, as amended.

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	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	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
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
Dauids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2587 was reported to the House.

Runbeck moved that H. F. No. 2587 be placed on General Orders. The motion prevailed.

H. F. No. 2683, A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; repealing a surviving spouse remarriage penalty; amending Laws 1943, chapter 196, section 4, as amended.

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	Bertram	Carruthers	Dorn	Greenfield
Anderson, I.	Bettermann	Clark	Erhardt	Gruenes
Anderson, R.	Bishop	Cooper	Farrell	Gutknecht
Anderson, R. H.	Blatz	Dauner	Frederick	Hanson
Battaglia	Bodahl	Dauids	Frerichs	Hartle
Bauerly	Boo	Dawkins	Garcia	Hasskamp
Beard	Brown	Dempsey	Girard	Haukoos
Begich	Carlson	Dille	Goodno	Hausman

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

The bill was passed and its title agreed to.

H. F. No. 2732, A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Weaver
Wejzman

Welker
Welle

Wenzel
Winter

Spk. Long

The bill was passed and its title agreed to.

H. F. No. 2854, A bill for an act relating to local government; providing for membership terms for the city of Hibbing public safety commission; providing for the size of the Hibbing public utilities commission; providing for its compensation; authorizing boards of counties to publish newsletters; amending Minnesota Statutes 1990, section 375.18, by adding a subdivision; Laws 1949, chapter 422, section 2, as amended.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1933 was reported to the House.

Anderson, R., moved that H. F. No. 1933 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2125 was reported to the House.

Tunheim moved that H. F. No. 2125 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2375, A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2849, A bill for an act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

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

The bill was passed and its title agreed to.

S. F. No. 1399 was reported to the House.

Jacobs moved to amend S. F. No. 1399, the unofficial engrossment, as follows:

Page 1, after line 28, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. [CONSERVATION IMPROVEMENT; COOPERATIVES; MUNICIPALITIES.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, .5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state.

(c) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. By February 1 of each year, each municipality or cooperative shall report to the commissioner its energy conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas. The commissioner shall review each report and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. The commissioner shall also review each report for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income of less than 185 percent of the federal poverty level.

(d) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year."

"The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1399, A bill for an act relating to utilities; determining when reconciliation of actual assessments to public utilities and telephone companies must be completed; amending Minnesota Statutes 1990, sections 216B.62, subdivision 3; and 237.295, subdivision 2.

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 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. McEachern Osthoff

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

SPECIAL ORDERS

H. F. No. 2115 was reported to the House.

Begich moved to amend H. F. No. 2115, the first engrossment, as follows:

Page 1, line 16, after the period insert "If a landowner or occupant is exempt from payment for any of the costs of a partition fence because the fence is not needed, but that owner's or occupant's needs change to include the need for a partition fence within seven years of completion of a partition fence, either owner or occupant may request the fence viewers to perform a re-evaluation and reassignment of shares of cost of construction and maintenance in accordance with the provisions of section 344.06."

Page 2, after line 8, insert:

"Sec. 3. [344.065] [APPEALS.]

Any decision of the fence viewers concerning partition fences may be appealed within 30 days to the district court within the county in which the boundary to be fenced is located. Construction, maintenance, or repair of a fence or payment of costs is not required until appeals are completed."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No 2115, A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06; proposing coding for new law in Minnesota Statutes, chapter 344.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 1969 was reported to the House.

Blatz moved to amend H. F. No. 1969, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [LOCAL LIQUOR RESTRICTIONS; BLOOMINGTON.]

Notwithstanding any provision of home rule charter, ordinance, or general or special law, the city of Bloomington may not prohibit retail sale of alcoholic beverages by reason of the fact that an on-sale establishment is located within 1,000 feet of a school existing within a retail and entertainment complex and operated by more than one school district or operated by one school district as agent for one or more other school districts.

Any previously adopted city charter or ordinance contrary to the provisions herein shall only be invalid to the extent it violates this section.

Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after the city council of the city of

Bloomington files a certificate of approval in compliance with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1969, A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex within the city of Bloomington.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Osthoff

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

S. F. No. 1689, A bill for an act relating to insurance; property and

casualty; regulating certain terminations and modifications or changes to certain agent agreements; modifying the definition of loss ratio experience; modifying membership in the board of review; amending Minnesota Statutes 1990, sections 60A.172; and 60A.177, subdivision 3.

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 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Girard	Limmer	Stanius
Bishop	Haukoos	Onnen	Welker
Boo	Krinkie	Smith	

The bill was passed and its title agreed to.

H. F. No. 1701 was reported to the House.

Steensma moved to amend H. F. No. 1701, the first engrossment, as follows:

Page 2, line 26, delete "where" and insert "if (1)"

Page 2, line 27, after "identified" insert "by the commissioner, and (2) the commissioner and the owner of the abandoned rail line have not entered into or are not conducting good-faith negotiations for acquisition of the property"

The motion prevailed and the amendment was adopted.

Steensma moved to amend H. F. No. 1701, the first engrossment, as amended, as follows:

Page 2, line 9, delete "a portion of the costs of" and insert "the state matching portion of federal grants for"

The motion prevailed and the amendment was adopted.

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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

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

Those who voted in the affirmative were:

Abrams	Cooper	Hartle	Kelso	McPherson
Anderson, I.	Dauner	Hasskamp	Kinkel	Milbert
Anderson, R.	Davids	Haukoos	Knickerbocker	Morrison
Anderson, R. H.	Dawkins	Hausman	Koppendrayner	Munger
Battaglia	Dempsey	Heir	Krambeer	Murphy
Bauerly	Dille	Henry	Krinkie	Nelson, S.
Beard	Dorn	Hufnagle	Krueger	Newinski
Begich	Erhardt	Hugoson	Lasley	O'Connor
Bertram	Farrell	Jacobs	Leppik	Ogren
Bettermann	Frederick	Janezich	Lieder	Olsen, S.
Bishop	Frerichs	Jaros	Limmer	Olson, E.
Blatz	Garcia	Jefferson	Lourey	Olson, K.
Bodahl	Girard	Jennings	Lynch	Omann
Boo	Goodno	Johnson, A.	Macklin	Onnen
Brown	Greenfield	Johnson, R.	Mariani	Orenstein
Carlson	Gruenes	Johnson, V.	Marsh	Orfield
Carruthers	Gutknecht	Kahn	McEachern	Osthoff
Clark	Hanson	Kalis	McGuire	Ostrom

Ozment	Rodosovich	Skoglund	Tompkins	Weaver
Pauly	Rukavina	Smith	Trimble	Wejman
Pellow	Runbeck	Solberg	Tunheim	Welker
Pelowski	Sarna	Sparby	Uphus	Welle
Peterson	Schafer	Stanius	Valento	Wenzel
Pugh	Schreiber	Steensma	Vanasek	Winter
Reding	Seaberg	Sviggum	Vellenga	Spk. Long
Rest	Segal	Swenson	Wagenius	
Rice	Simoneau	Thompson	Waltman	

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

S. F. No. 1666, A bill for an act relating to local government; authorizing county hospitals to undertake certain projects; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 376.08; 412.311; 412.691; 471.345, subdivisions 3, 4, and by adding a subdivision; and 471.88, subdivision 5; repealing Minnesota Statutes 1990, section 471.88, subdivision 8.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1488 was reported to the House.

Dawkins moved that H. F. No. 1488 be continued on Special Orders. The motion prevailed.

H. F. No. 1489, A bill for an act relating to cooperatives; regulating regular or special meetings; requiring meetings to be open to members, with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 308A.

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 104 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kahn	O'Connor	Simoneau
Anderson, I.	Erhardt	Kelso	Ogren	Skoglund
Anderson, R.	Farrell	Krambeer	Olsen, S.	Smith
Battaglia	Frederick	Krueger	Olson, E.	Solberg
Bauerly	Garcia	Lasley	Orenstein	Sparby
Beard	Girard	Leppik	Orfield	Steensma
Begich	Goodno	Lieder	Osthoff	Swenson
Bertram	Greenfield	Limmer	Ostrom	Tompkins
Bettermann	Gutknecht	Lourey	Ozment	Trimble
Bishop	Hanson	Lynch	Pelowski	Tunheim
Blatz	Hausman	Macklin	Pugh	Valento
Bodahl	Henry	Mariani	Reding	Vanasek
Boo	Hufnagle	Marsh	Rice	Vellenga
Carlson	Jacobs	McEachern	Rodosovich	Wagenius
Carruthers	Janezich	McGuire	Rukavina	Weaver
Clark	Jaros	McPherson	Runbeck	Wejczman
Cooper	Jefferson	Milbert	Sarna	Welle
Dauner	Jennings	Morrison	Schafer	Wenzel
Dawkins	Johnson, A.	Munger	Schreiber	Winter
Dempsey	Johnson, R.	Murphy	Seaberg	Spk. Long
Dille	Johnson, V.	Nelson, S.	Segal	

Those who voted in the negative were:

Anderson, R. H.	Haukoos	Krinkie	Pellow	Waltman
Davidson	Heir	Newinski	Peterson	Welker
Frerichs	Hugoson	Olson, K.	Stanis	
Gruenes	Kalis	Omann	Svigum	
Hartle	Kinkel	Onnen	Thompson	
Hasskamp	Koppendrayner	Pauly	Uphus	

The bill was passed and its title agreed to.

H. F. No. 1976 was reported to the House.

Bishop moved that H. F. No. 1976 be continued on Special Orders. The motion prevailed.

H. F. No. 2030 was reported to the House.

Rice moved to amend H. F. No. 2030, the first engrossment, as follows:

Page 3, line 14, delete "credited" and insert "created"

Page 3, delete lines 23 and 24

Page 3, lines 25 to 29, renumber the remaining subclauses

The motion prevailed and the amendment was adopted.

H. F. No. 2030, A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hufnagle	Lieder	Omann
Anderson, I.	Dempsey	Hugoson	Limmer	Onnen
Anderson, R.	Dille	Jacobs	Lourey	Orenstein
Anderson, R. H.	Dorn	Janezich	Lynch	Orfield
Battaglia	Erhardt	Jaros	Macklin	Osthoff
Bauerly	Farrell	Jefferson	Mariani	Ostrom
Beard	Frederick	Jennings	Marsh	Ozment
Begich	Frerichs	Johnson, A.	McEachern	Pauly
Bertram	Garcia	Johnson, R.	McGuire	Pellow
Bettermann	Girard	Johnson, V.	McPherson	Pelowski
Bishop	Goodno	Kahn	Milbert	Peterson
Blatz	Greenfield	Kalis	Morrison	Pugh
Bodahl	Gruenes	Kelso	Munger	Reding
Boo	Gutknecht	Kinkel	Murphy	Rest
Brown	Hanson	Knickerbocker	Nelson, S.	Rice
Carlson	Hartle	Koppendrayor	Newinski	Rodosovich
Carruthers	Hasskamp	Krambeer	O'Connor	Rukavina
Clark	Haukoos	Krinkie	Ogren	Runbeck
Cooper	Hausman	Krueger	Olsen, S.	Sarna
Dauner	Heir	Lasley	Olson, E.	Schafer
Davids	Henry	Leppik	Olson, K.	Schreiber

Seaberg	Sparby	Tompkins	Vellenga	Wenzel
Segal	Stanius	Trimble	Wagenius	Winter
Simoneau	Steensma	Tunheim	Waltman	Spk. Long
Skoglund	Sviggunn	Uphus	Weaver	
Smith	Swenson	Valento	Wejzman	
Solberg	Thompson	Vanasek	Welle	

Those who voted in the negative were:

Welker

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

H. F. No. 2099 was reported to the House.

Carruthers moved to amend H. F. No. 2099, the first engrossment, as follows:

Amend the title as follows:

Page 1, line 6, delete "related rights of" and insert "how subrogation recoveries affect"

The motion prevailed and the amendment was adopted.

H. F. No. 2099, A bill for an act relating to insurance; auto; prohibiting discrimination in automobile insurance policies; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying how subrogation recoveries affect insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

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

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

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Dorn	Greenfield
Anderson, I.	Bettermann	Clark	Erhardt	Gruenes
Anderson, R.	Bishop	Cooper	Farrell	Gutknecht
Anderson, R. H.	Blatz	Dauner	Frederick	Hanson
Battaglia	Bodahl	Davids	Frerichs	Hartle
Bauerly	Boo	Dawkins	Garcia	Hasskamp
Beard	Brown	Dempsey	Girard	Haukoos
Begich	Carlson	Dille	Goodno	Hausman

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

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

H. F. No. 1875 was reported to the House.

Dille moved that H. F. No. 1875 be continued on Special Orders. The motion prevailed.

H. F. No. 1988, A bill for an act relating to intoxicating liquor; authorizing Lake township in Roseau county to establish, own, and operate an exclusive liquor store.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hartle	Kelso	McPherson
Anderson, I.	Dauner	Hasskamp	Kinkel	Milbert
Anderson, R.	Davids	Haukoos	Knickerbocker	Morrison
Anderson, R. H.	Dawkins	Hausman	Koppendrayar	Munger
Battaglia	Dempsey	Heir	Krambeer	Murphy
Bauerly	Dille	Henry	Krinkie	Nelson, S.
Beard	Dorn	Hufnagle	Krueger	Newinski
Begich	Erhardt	Hugoson	Lasley	O'Connor
Bertram	Farrell	Jacobs	Leppik	Ogren
Bettermann	Frederick	Janezich	Lieder	Olsen, S.
Bishop	Frerichs	Jaros	Limmer	Olson, E.
Blatz	Garcia	Jefferson	Lourey	Olson, K.
Bodahl	Girard	Jennings	Lynch	Omann
Boo	Goodno	Johnson, A.	Macklin	Onnen
Brown	Greenfield	Johnson, R.	Mariani	Orenstein
Carlson	Gruenes	Johnson, V.	Marsh	Orfield
Carruthers	Gutknecht	Kahn	McEachern	Osthoff
Clark	Hanson	Kalis	McGuire	Ostrom

Ozment	Rodosovich	Smith	Trimble	Wejzman
Pauly	Rukavina	Solberg	Tunheim	Welker
Pellow	Runbeck	Sparby	Uphus	Welle
Pelowski	Sarna	Stanis	Valento	Wenzel
Peterson	Schafer	Steensma	Vanasek	Winter
Pugh	Schreiber	Sviggum	Vellenga	
Reding	Seaberg	Swenson	Wagenius	
Rest	Segal	Thompson	Waltman	
Rice	Simoneau	Tompkins	Weaver	

The bill was passed and its title agreed to.

H. F. No. 2046 was reported to the House.

Bertram moved that H. F. No. 2046 be continued on Special Orders. The motion prevailed.

H. F. No. 2186, A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

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 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Krinkie	Stanis
Johnson, V.	Schafer	Welker

The bill was passed and its title agreed to.

H. F. No. 2313 was reported to the House.

Welle moved that H. F. No. 2313 be continued on Special Orders. The motion prevailed.

H. F. No. 2388, A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

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 119 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Goodno	Krinkie	Olsen, S.	Welker
Dempsey	Gruenes	Limmer	Seaberg	
Girard	Haukoos	Newinski	Smith	

The bill was passed and its title agreed to.

H. F. No. 1978, A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of certain rules; requiring their review by the commissioner of health.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hufnagle Marsh

The bill was passed and its title agreed to.

H. F. No. 2113 was reported to the House.

McEachern moved to amend H. F. No. 2113, the first engrossment, as follows:

Page 2, after line 35, insert a section to read:

"Sec. 4. Minnesota Statutes 1990, section 169.64, is amended by adding a subdivision to read:

Subd. 8. [FLASHING LIGHTS ON RURAL MAIL VEHICLES.] Notwithstanding subdivision 3, a vehicle owned or used by a mail carrier and used for delivery of United States mail may be equipped with a revolving safety light that is capable of being removed from the outside of the vehicle when not in use. Such a light (1) may be placed only on the top of the vehicle, and (2) may be activated only when the vehicle is actually engaged in the delivery of United States mail outside incorporated areas."

Renumber the remaining sections.

Correct internal references

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing revolving safety lights on rural mail carrier vehicles;"

Page 1, line 9, before the period insert "; and 169.64, by adding a subdivision"

The motion prevailed and the amendment was adopted.

H. F. No. 2113, A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; authorizing revolving safety lights on rural mail carrier vehicles; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision; and 169.64, by adding a subdivision.

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 122 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Bettermann	Dempsey	Kalis	Onnen	Seaberg
Cooper	Dorn	Lasley	Pellow	Vanasek

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

H. F. No. 2273, A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

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 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Jacobs	Lourey	Orenstein
Anderson, I.	Dorn	Janezich	Lynch	Orfield
Anderson, R.	Erhardt	Jaros	Macklin	Osthoff
Anderson, R. H.	Farrell	Jefferson	Mariani	Ostrom
Battaglia	Frederick	Jennings	Marsh	Ozment
Bauerly	Frerichs	Johnson, A.	McEachern	Pauly
Bertram	Garcia	Johnson, R.	McGuire	Pellow
Bettermann	Girard	Johnson, V.	McPherson	Pelowski
Bishop	Goodno	Kahn	Milbert	Peterson
Blatz	Greenfield	Kalis	Morrison	Pugh
Bodahl	Gruenes	Kelso	Munger	Reding
Boo	Gutknecht	Kinkel	Murphy	Rest
Brown	Hanson	Knickerbocker	Nelson, S.	Rice
Carlson	Hartle	Koppendrayer	Newinski	Rodosovich
Carruthers	Hasskamp	Krambeer	O'Connor	Rukavina
Clark	Hausman	Krueger	Ogren	Runbeck
Cooper	Heir	Lasley	Olsen, S.	Sarna
Dauner	Henry	Leppik	Olson, E.	Schafer
Dawkins	Hufnagle	Lieder	Olson, K.	Schreiber
Dempsey	Hugoson	Limmer	Omann	Seaberg

Segal	Stanis	Trimble	Wagenius	Winter
Simoneau	Steensma	Tunheim	Waltman	Spk. Long
Skoglund	Sviggum	Uphus	Weaver	
Smith	Swenson	Valento	Wejcman	
Solberg	Thompson	Vanasek	Welle	
Sparby	Tompkins	Vellenga	Wenzel	

Those who voted in the negative were:

Beard	Haukoos	Onnen
Daids	Krinkie	Welker

The bill was passed and its title agreed to.

H. F. No. 2345 was reported to the House.

Carruthers moved that H. F. No. 2345 be continued on Special Orders. The motion prevailed.

H. F. No. 2483 was reported to the House.

Anderson, I., moved that H. F. No. 2483 be continued on Special Orders. The motion prevailed.

H. F. No. 2593 was reported to the House.

Welle moved that H. F. No. 2593 be continued on Special Orders. The motion prevailed.

H. F. No. 2106, A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections 53A.02; 53A.04; and 53A.05.

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 113 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Dauner	Greenfield	Jacobs
Anderson, I.	Bodahl	Dawkins	Gutknecht	Janezich
Anderson, R.	Boo	Dille	Hanson	Jaros
Battaglia	Brown	Dorn	Hartle	Jefferson
Bauerly	Carlson	Erhardt	Hasskamp	Jennings
Beard	Carruthers	Farrell	Hausman	Johnson, A.
Begich	Clark	Frederick	Heir	Johnson, R.
Bertram	Cooper	Garcia	Henry	Johnson, V.

Kahn	Mariani	Omann	Rodosovich	Thompson
Kalis	Marsh	Onnen	Rukavina	Tompkins
Kelso	McEachern	Orenstein	Runbeck	Trimble
Kinkel	McGuire	Orfield	Sarna	Tunheim
Knickerbocker	McPherson	Osthoff	Schafer	Uphus
Koppendrayer	Milbert	Ostrom	Schreiber	Vanasek
Krambeer	Morrison	Ozment	Seaberg	Vellenga
Krueger	Munger	Pauly	Segal	Wagenius
Lasley	Murphy	Pellow	Simoneau	Wejcman
Leppik	Nelson, S.	Pelowski	Skoglund	Welle
Lieder	O'Connor	Peterson	Smith	Wenzel
Limmer	Ogren	Pugh	Solberg	Winter
Lourey	Olsen, S.	Reding	Sparby	Spk. Long
Lynch	Olson, E.	Rest	Steensma	
Macklin	Olson, K.	Rice	Swenson	

Those who voted in the negative were:

Anderson, R. H.	Dempsey	Gruenes	Kriekie	Valento
Bettermann	Frerichs	Haukoos	Nevnski	Waltman
Blatz	Girard	Hufnagle	Stanius	Weaver
Dauids	Goodno	Hugoson	Sviggun	Welker

The bill was passed and its title agreed to.

H. F. No. 2352, A bill for an act relating to state agencies; providing that agency heads may not delegate affirmative action duties; amending Minnesota Statutes 1990, section 43A.191, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Goodno	Knickerbocker	Omann	Sviggum
Anderson, R. H.	Gruenes	Koppendraye	Onnen	Swenson
Bettermann	Gutknecht	Krinkie	Pauly	Tompkins
Blatz	Hartle	Leppik	Pellow	Valento
Boo	Haukoos	Limmer	Runbeck	Waltman
Davids	Heir	Lynch	Schafer	Welker
Dempsey	Henry	Marsh	Schreiber	
Erhardt	Hufnagle	McPherson	Seaberg	
Frerichs	Hugoson	Newinski	Smith	
Girard	Johnson, V.	Olsen, S.	Stanis	

The bill was passed and its title agreed to.

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Sparby moved that the name of Steensma be stricken and the name of Wenzel be added as an author on H. F. No. 2422. The motion prevailed.

Reding moved that H. F. No. 2791, now on General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

Munger moved that H. F. No. 2987 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, March 25, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, March 25, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives