

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 5, 1994

The House of Representatives convened at 1:30 p.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Perlt	Swenson
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Peterson	Tomassoni
Asch	Delmont	Huntley	Lasley	Murphy	Pugh	Tompkins
Battaglia	Dempsey	Jacobs	Leppik	Neary	Reding	Trimble
Bauerly	Dorn	Jaros	Lieder	Nelson	Rest	Tunheim
Beard	Erhardt	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bishop	Garcia	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Brown, C.	Girard	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Sekhon	Weaver
Carlson	Greenfield	Kelley	Mahon	Orfield	Simoneau	Wejcman
Carruthers	Greiling	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Clark	Gruenes	Kinkel	McCullum	Ostrom	Smith	Winter
Commers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Wolf
Cooper	Haskamp	Knickerbocker	Milbert	Pauly	Stanis	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Hausman	Koppendrayner	Morrison	Pelowski	Sviggum	Spk. Anderson, I.

A quorum was present.

Farrell was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Ozment 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. 1483 and H. F. No. 377, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bergson moved that the rules be so far suspended that S. F. No. 1483 be substituted for H. F. No. 377 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1662 and H. F. No. 1792, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 1662 be substituted for H. F. No. 1792 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1959 and H. F. No. 2244, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Tunheim moved that S. F. No. 1959 be substituted for H. F. No. 2244 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2011 and H. F. No. 3004, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 2011 be substituted for H. F. No. 3004 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2135 and H. F. No. 2260, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Garcia moved that S. F. No. 2135 be substituted for H. F. No. 2260 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2255 and H. F. No. 2954, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Johnson, A., moved that S. F. No. 2255 be substituted for H. F. No. 2954 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2246 and H. F. No. 2572, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Waltman moved that the rules be so far suspended that S. F. No. 2246 be substituted for H. F. No. 2572 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2262 and H. F. No. 2533, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Koppendraye moved that S. F. No. 2262 be substituted for H. F. No. 2533 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2345 and H. F. No. 2391, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, K., moved that the rules be so far suspended that S. F. No. 2345 be substituted for H. F. No. 2391 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2422 and H. F. No. 2677, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Brown, C., moved that S. F. No. 2422 be substituted for H. F. No. 2677 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2462 and H. F. No. 2587, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seagren moved that the rules be so far suspended that S. F. No. 2462 be substituted for H. F. No. 2587 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2464 and H. F. No. 2737, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2464 be substituted for H. F. No. 2737 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2491 and H. F. No. 2728, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 2491 be substituted for H. F. No. 2728 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2503 and H. F. No. 2513, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 2503 be substituted for H. F. No. 2513 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2572 and H. F. No. 2776, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Van Engen moved that the rules be so far suspended that S. F. No. 2572 be substituted for H. F. No. 2776 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2579 and H. F. No. 3146, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Asch moved that S. F. No. 2579 be substituted for H. F. No. 3146 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2582 and H. F. No. 2957, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carlson moved that S. F. No. 2582 be substituted for H. F. No. 2957 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2598 and H. F. No. 2953, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2598 be substituted for H. F. No. 2953 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2671 and H. F. No. 2896, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Solberg moved that S. F. No. 2671 be substituted for H. F. No. 2896 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2710 and H. F. No. 2916, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 2710 be substituted for H. F. No. 2916 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Brown, C., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 881, A bill for an act relating to St. Paul; authorizing the city to require employees to reside in the city.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 15 and insert:

"Section 1 is effective the day after the governing body of the city of St. Paul complies with Minnesota Statutes, section 645.021, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1917, A bill for an act relating to metropolitan government; providing for financial assistance and capital expenditures of the regional transit board; amending Minnesota Statutes 1992, sections 473.375, subdivision 13; and 473.39, subdivision 1b.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 2115, A bill for an act relating to highway safety; requiring persons age 55 or over to complete a refresher course in accident prevention in order to remain eligible for a reduction in private passenger vehicle insurance rates; amending Minnesota Statutes 1992, section 65B.28.

Reported the same back with the following amendments:

Page 2, line 4, delete the new language

Page 2, delete line 5

Page 2, line 6, delete the new language

Page 2, delete line 7 and insert "~~retake the~~ take a four-hour refresher course and receive a refresher course"

Page 2, line 11, delete everything after "1995" and insert a period

Page 2, delete lines 12 and 13

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2170, A bill for an act relating to elevators; regulating persons who construct and repair elevators; requiring inspections; creating an advisory committee; setting minimum code standards; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than two persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and must possess an elevator constructor or master elevator constructor license issued by the state board of electricity. Nothing in this section will supersede or replace chapter 326.

Sec. 2. Minnesota Statutes 1992, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, remove, or repair an elevator that does not meet the minimum requirements of ~~this chapter~~, adopted sections 183.351 to 183.358, rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1992, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, perform alterations, remove, or install an elevator without ~~first filing an application for~~ obtaining a permit with the department of labor and industry or a

municipality authorized by subdivision 3 to inspect elevators. ~~Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department.~~ Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1992, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ shall by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1992, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ shall adopt rules for the following purposes:

(1) to set a fee under section ~~16A.128~~ 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~16A.128~~ 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction mechanic examination~~ industry education program or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 5 is effective the day following its final enactment.

Delete the title and insert:

"A bill for an act relating to elevators; regulating persons who may do elevator work; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357, subdivisions 1 and 2; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 2254, A bill for an act relating to traffic regulations; permitting white strobe lights on rural mail carrier vehicles; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.64, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.64, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 13, delete everything after "carrier" and insert "on a rural mail route."

Page 1, delete line 14

Pages 2 and 3, delete section 3, and insert:

"Sec. 3. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] (a) Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) A school bus that is subject to and complies with the color and equipment requirements of sections 169.441, subdivisions 1 and 2, and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) A road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

(b) Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits an amber light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is a rural mail carrier vehicle, provided that the strobe lamp is mounted at the highest practicable point on the vehicle. The strobe lamp may only be operated while the vehicle is actually engaged during daylight hours in the delivery of mail to residents on a rural mail route.

(c) The A strobe lamp authorized by this section shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2273, A bill for an act relating to commerce; regulating certain insurance and real property licensing terms and fees; providing for two-year licensing; amending Minnesota Statutes 1992, sections 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 83.25; Minnesota Statutes 1993 Supplement, sections 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3.

Reported the same back with the following amendments:

Page 8, line 7, after "partnership" insert "renewal"

Page 9, delete lines 21 and 22 and insert:

"(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner."

Page 10, line 2, delete "12" and insert "six"

Page 10, line 10, delete "reported" and insert "earned"

Page 10, line 17, delete "Licenses" and strike "issued" and insert "Licenses renewed"

Page 13, line 31, strike everything before "continuing" and insert "All"

Page 13, line 32, before "no" insert "must be earned"

Page 14, line 12, reinstate the stricken language

Page 14, delete lines 13 and 14 and insert:

"(1) at least two hours of training ~~every year~~ during each license period in courses in laws or regulations on agency representation and disclosure; and"

Page 14, line 15, reinstate the stricken "(2)"

Page 14, lines 19 to 21, reinstate the stricken language

Page 14, line 22, reinstate the stricken "status"

Page 14, line 23, after the stricken "report" insert "along with the continuing education report required" and reinstate "under paragraph (a)."

Page 15, line 2, delete "Licenses" and insert "Initial licenses"

Page 15, line 4, delete "of"

Page 15, line 5, delete the new language and insert "not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on August 31 of the expiration year assigned by the commissioner"

Page 15, line 8, after "(a)" insert "Licenses renewed under this chapter are valid for a period of 24 months."

Page 16, after line 6, insert:

"Sec. 20. Minnesota Statutes 1992, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least ~~15~~ 30 classroom hours ~~per year~~; of instruction in courses or seminars that have received the approval of the commissioner. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported."

Page 16, line 33, delete "19" and insert "20"

Page 16, line 35, delete "20" and insert "21"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "1;" insert "82B.19, subdivision 1;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Lieder from the Committee on General Legislation, Veterans Affairs and Elections to which was referred:

H. F. No. 2287, A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; changing duties; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; requiring return of public subsidies under certain conditions; amending Minnesota Statutes 1992, sections 10A.01, subdivisions 11, 25, 26, and 28; 10A.02, subdivisions 11 and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.08; 10A.09, subdivision 7; 10A.14, subdivision 4; 10A.15, by adding a subdivision; 10A.20, subdivisions 5 and 12; 10A.21, subdivision 3; 10A.23; 10A.31, subdivisions 6, 7, and 8; 10A.322, subdivision 4; 10A.324, subdivision 1; and 10A.34; repealing Minnesota Statutes 1992, sections 10A.09, subdivision 3; and 10A.21, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an individual or an association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media. Contribution does not include the difference between the prevailing cost of a product or service and a discounted price for the product or service made available to a candidate, political party committee, ballot question committee, political committee, or political fund on the same terms as those offered to similarly situated persons.

Sec. 2. Minnesota Statutes 1993 Supplement, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any of the following purposes:

- (a) payment for accounting and legal services;
- (b) return of a contribution to the source;
- (c) repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) return of a public subsidy;
- (e) payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die, excluding the value of services of legislative employees in preparing summaries of legislative activity for the public;

(g) a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f);

(h) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;

(i) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(j) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(k) costs of child care for the candidate's children when campaigning;

(l) fees paid to attend a campaign school;

(m) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(n) interest on loans paid by a principal campaign committee on outstanding loans;

(o) filing fees;

(p) post-general election thank-you notes or advertisements in the news media;

(q) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(r) transfers to a party unit as defined in section 10A.275, subdivision 3; and

(s) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 3. Minnesota Statutes 1992, section 10A.01, subdivision 25, is amended to read:

Subd. 25. [LOCAL OFFICIAL.] "Local official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, ~~to recommend~~, or to vote on as a member of the governing body, ~~major final recommendations and decisions~~ regarding the expenditure or investment of public money. In a metropolitan governmental unit, "local official" includes a person appointed to or employed in a part-time or "acting" position.

Sec. 4. Minnesota Statutes 1992, section 10A.03, subdivision 2, is amended to read:

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and, if different, of each principal by which the lobbyist is engaged, compensated, or authorized to lobby, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby whether the lobbying is to influence legislative action, administrative action, or the official actions of a metropolitan governmental unit. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 5. Minnesota Statutes 1992, section 10A.03, subdivision 3, is amended to read:

Subd. 3. The board shall notify by certified mail ~~or personal service~~ any lobbyist who fails to file a registration form within five days after becoming a lobbyist. If a lobbyist fails to file a form within seven ~~five~~ days after receiving this ~~the~~ notice was mailed, the board may impose a late filing fee at \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$250~~, commencing with the ~~eighth~~ sixth day after receiving the ~~the~~ notice was mailed. The board shall further notify by certified

mail or personal service any lobbyist who fails to file a form within 21 days ~~of receiving a~~ after the first notice was mailed that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who ~~knowingly~~ fails to file a form within ~~seven~~ five days after receiving ~~a second this~~ notice from the board is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 10A.04, subdivision 5, is amended to read:

Subd. 5. The board shall notify by certified mail ~~or personal service~~ any lobbyist or principal who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist or principal fails to file a report within ~~seven~~ five days after ~~receiving this the~~ notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ \$25 per day, not to exceed ~~\$100~~ \$250, commencing with the ~~eight~~ sixth day after ~~receiving the~~ notice was mailed. The board shall further notify by certified mail or personal service any lobbyist or principal who fails to file a report within 21 days after ~~receiving a~~ the first notice was mailed that the lobbyist or principal may be subject to a criminal penalty for failure to file the report. A lobbyist or principal who ~~knowingly~~ fails to file such a report or statement within ~~seven~~ five days after receiving ~~a second this~~ notice from the board is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1992, section 10A.04, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section. Lobbyists and principals shall retain for four years after the report was filed all records concerning the matters reported under this chapter, including vouchers, canceled checks, bills, invoices, worksheets, and receipts.

Sec. 8. Minnesota Statutes 1992, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons ~~or~~ associations, or political subdivisions whom they represent as lobbyists, ~~the subject or subjects on which they are lobbying,~~ and whether in each case they lobby to influence legislative or administrative action or both. At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, and the names of the persons ~~or~~ associations, or political subdivisions whom they represent as lobbyists, ~~and the subject or subjects on which they are lobbying.~~

Sec. 9. Minnesota Statutes 1993 Supplement, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, ~~any other political committee with the candidate's name or title, any committee authorized by the candidate,~~ or a political committee established by all or a part of the party organization within a house of the legislature, shall not solicit or accept a contribution on behalf of a candidate's principal campaign committee, ~~any other political committee with the candidate's name or title, any committee authorized by the candidate,~~ or a political committee established by all or a part of the party organization within a house of the legislature, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Sec. 10. Minnesota Statutes 1992, section 10A.065, is amended by adding a subdivision to read:

Subd. 6. [FEDERAL CANDIDATES.] This section does not prohibit a candidate for federal office from soliciting or accepting a contribution to the campaign for that office.

Sec. 11. Minnesota Statutes 1992, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

Any public official who represents a client for a fee before any individual, board, commission or agency that has rule making authority in a hearing conducted under chapter 14, shall disclose the official's participation in the action to the board within 14 days after the appearance. The board shall notify by certified mail ~~or personal service~~ any

public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ~~seven~~ five days ~~of after~~ this notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$250~~, commencing on the ~~eight~~ sixth day after ~~receiving the notice was~~ mailed. The board shall further notify by certified mail or personal service any individual who fails to disclose the participation within 21 days after the first notice was mailed that the individual may be subject to a criminal penalty for failure to disclose the participation. An individual who fails to disclose the participation within five days after receiving this notice is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1992, section 10A.09, subdivision 7, is amended to read:

Subd. 7. The board shall notify by certified mail ~~or personal service~~ any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving this the~~ notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$250~~, commencing on the ~~eight~~ sixth day after ~~receiving the notice was~~ mailed. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after ~~receiving a the~~ first notice was mailed that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within ~~seven~~ five days after ~~a second~~ receiving this notice is guilty of a misdemeanor.

Sec. 13. Minnesota Statutes 1992, section 10A.14, subdivision 4, is amended to read:

Subd. 4. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving a the~~ notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$250~~, commencing with the ~~eight~~ sixth day after ~~receiving the~~ notice was mailed. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after ~~receiving a the~~ first notice was mailed that such individual may be subject to a criminal penalty for failure to file the report statement. An individual who knowingly fails to file the statement within ~~seven~~ five days after receiving ~~a second~~ this notice ~~from the board~~ is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1992, section 10A.15, subdivision 3a, is amended to read:

Subd. 3a. No treasurer of a principal campaign committee of a candidate or of a political committee or political fund shall deposit any transfer which on its face exceeds the limit on contributions to that candidate or political committee or political fund prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

Sec. 15. Minnesota Statutes 1992, section 10A.15, is amended by adding a subdivision to read:

Subd. 6. No contribution may be made by making a charge to a credit card or otherwise by use of a credit card.

Sec. 16. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political party committee, principal campaign committee, ballot question committee, political committee, or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund during the reporting period, including the purchase of tickets for all fund raising efforts, which in aggregate within the year equal or exceed \$100 for legislative, judicial district, or statewide candidates or ballot questions, except as otherwise provided in this subdivision, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(d) Each loan made or received by the political party committee, principal campaign committee, ballot question committee, political committee, or political fund within the year in aggregate in excess of \$100, except as otherwise provided in this subdivision, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Notwithstanding contrary provisions in paragraph (b) or (d), the amount of every transfer or donation in kind, regardless of amount, made by a lobbyist, political fund, or political committee other than a political party unit as defined in section 10A.275, to the principal campaign committee of a legislative or statewide candidate and the amount of every loan received, regardless of amount, from a lobbyist, political fund, or political committee other than a political party unit as defined in section 10A.275, by the principal campaign committee of a legislative or statewide candidate must be reported under this section.

(f) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(g) The sum of all receipts of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(h) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period that aggregate within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate, except that an independent expenditure of less than \$300 per candidate by an association targeted to inform solely its own dues-paying members of the association's position on a candidate need not be itemized and an association that makes only this type of expenditure need not register with the board;

(i) The sum of all expenditures made by or on behalf of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(j) The amount and nature of any advance of credit incurred by the political party committee, principal campaign committee, ballot question committee, political committee, or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(k) The name and address of each political party committee, ballot question committee, political committee, political fund, or principal campaign committee to which aggregate transfers have been made during the reporting period that aggregate in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(l) The sum of all transfers made by the political party committee, ballot question committee, political committee, political fund, or principal campaign committee during the reporting period;

(m) ~~Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1,~~ The name and address of each individual or association to whom aggregate ~~noncampaign~~ disbursements have been made during the reporting period that aggregate in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political party committee, ballot question committee, political committee, or political fund, together with the amount, date, and purpose of each ~~noncampaign~~ disbursement;

(n) The sum of all ~~noncampaign~~ disbursements made within the year reporting period by or on behalf of a principal campaign committee, political party committee, ballot question committee, political committee, or political fund; and

(o) A report filed under subdivision 2, clause (b), by a political party committee, ballot question committee, political committee, or political fund that is subject to subdivision 14, must contain the information required by subdivision 14, if the political party committee, ballot question committee, political committee, or political fund has

solicited and caused others to make aggregate contributions greater than \$5,000 between January 1 of the general election year and the end of the reporting period. This disclosure requirement is in addition to the report required by subdivision 14.

Sec. 17. Minnesota Statutes 1992, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In any statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by facsimile transmission and first class mail sent within 48 hours after its receipt;
- (2) (3) by telegram or mailgram within 48 hours after its receipt; or
- (3) (4) by certified mail sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if the statewide or legislative candidate is unopposed in that primary.

Sec. 18. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 6b, is amended to read:

Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] (a) Within 24 hours after an individual, political party committee, principal campaign committee, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political party committee, principal campaign committee, political committee, or political fund shall file with the board an affidavit notifying the board of the intent to make the independent expenditure and serve a copy of the affidavit on each candidate in the affected race and on the treasurer of the candidate's principal campaign committee. The affidavit must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g); except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

(b) An individual or the treasurer of a political party committee, principal campaign committee, political committee, or political fund who fails to give notice as required by this subdivision, or who files a false affidavit of notice, is guilty of a gross misdemeanor and is subject to a civil fine of up to four times the amount of the independent expenditure ~~stated in the notice or of which notice was required, whichever is greater.~~

Sec. 19. Minnesota Statutes 1992, section 10A.20, subdivision 12, is amended to read:

Subd. 12. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within ~~seven~~ five days after receiving a notice was mailed, the board may impose a late filing fee of \$5 \$25 per day, not to exceed ~~\$100~~ \$250, commencing on the ~~eighth~~ sixth day after receiving notice was mailed. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 \$100 per day, not to exceed ~~\$500~~ \$1,000, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after ~~receiving~~ a first notice from the board was mailed that the individual may be subject to a criminal penalty for failure to file a statement. An individual who ~~knowingly~~ fails to file the statement within ~~seven~~ five days after receiving a ~~second~~ this notice ~~from the board~~ is guilty of a misdemeanor.

Sec. 20. Minnesota Statutes 1992, section 10A.21, subdivision 3, is amended to read:

Subd. 3. Statements and reports filed with a county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e). Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder. Upon request of a county auditor, the board shall send the auditor a copy of a statement of economic interest filed with the board. The copy need not be certified.

Sec. 21. Minnesota Statutes 1992, section 10A.23, is amended to read:

10A.23 [CHANGES AND CORRECTIONS.]

Subdivision 1. [REPORT.] Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected.

Subd. 2. [NOTICE; PENALTY.] If the board determines that a report or statement is inaccurate, the board shall notify by certified mail the person who filed the report or statement of the need to correct it. If the person fails to file a corrected report or statement within 20 days after the notice was mailed, the board may send a second notice by certified mail stating that a late filing fee is imposed at the rate of \$25 a day, not to exceed \$250, commencing with the day after the second notice was mailed. The second notice shall further state that a person who fails to file a corrected report or statement within 10 days after the second notice is mailed may be subject to a criminal penalty for failure to file the correction. Any person who ~~willfully~~ fails to report a material change or correction within 30 days after receiving this notice is guilty of a gross misdemeanor.

Sec. 22. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 2, is amended to read:

Subd. 2. (a) In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

- (1) for governor and lieutenant governor, running together, \$1,626,691;
- (2) for attorney general, \$271,116;
- (3) for secretary of state, state treasurer, and state auditor, separately, \$135,559;
- (4) for state senator, \$40,669;
- (5) for state representative, \$20,335.

(b) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(c) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is ~~running a candidate~~ for that office for the first time and who has not ~~run~~ previously been a candidate for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Sec. 23. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 6, is amended to read:

Subd. 6. During an election cycle, in any year before ~~an~~ the election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2.

Sec. 24. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 11, is amended to read:

Subd. 11. [CARRYFORWARD; DISPOSITION OF OTHER FUNDS.] After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the election cycle expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund ~~and any public matching subsidy~~ must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

Sec. 25. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 13, is amended to read:

Subd. 13. [INDEPENDENT EXPENDITURES; LIMITS INCREASED.] (a) The expenditure limits in this section are increased by the sum of independent expenditures made in opposition to a candidate plus independent expenditures made on behalf of the candidate's major political party opponents, other than expenditures by an association targeted to inform solely its own dues-paying members of the association's position on a candidate.

(b) Within 48 hours after receipt of an expenditure report or notice required by section 10A.20, subdivision 3, 6, or 6b, the board shall notify each candidate in the race of the increase in the expenditure limit for the candidates against whom the independent expenditures have been made.

(c) Within three days after providing this notice, the board shall pay each candidate against whom the independent expenditures have been made, if the candidate is eligible to receive a public subsidy and has raised twice the minimum match required, an additional public subsidy equal to one-half the independent expenditures. If the candidate has not already filed with the board an affidavit that the candidate has raised twice the minimum match required, the board need not make the payment until three days after the candidate has filed the affidavit. The amount needed to pay the additional public subsidy under this subdivision is appropriated from the general fund to the board.

Sec. 26. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] Except as provided in subdivisions 2, 2a, and 6, no candidate shall permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(a) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

(b) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;

(c) to a candidate for the office of secretary of state, state treasurer or state auditor, \$500 in an election year for the office sought and \$100 in other years;

(d) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(e) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

Sec. 27. Minnesota Statutes 1992, section 10A.27, is amended by adding a subdivision to read:

Subd. 2a. [REPAYING DEBT.] An unsuccessful candidate whose principal campaign committee is being dissolved may accept contributions up to the maximum amount allowed in an election year for the office held or sought, regardless of whether the contribution is accepted in an election year, for purposes of repaying the committee's debt.

Sec. 28. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 9, is amended to read:

Subd. 9. (a) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a transfer or contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee shall not make a transfer or contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A candidate's principal campaign committee shall not accept a transfer or contribution from, or make a transfer or contribution to, a committee associated with a person who seeks nomination or election to the office of President, Senator, or Representative in Congress of the United States.

(c) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for political subdivision office in any state, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee shall not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state.

Sec. 29. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 10, is amended to read:

Subd. 10. [PROHIBITED CONTRIBUTIONS.] A candidate who accepts a public subsidy may not contribute to the candidate's own campaign during a year more than ten times the ~~candidate's election-year~~ contribution limit for that year for the office sought by the candidate under subdivision 1.

Sec. 30. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee ~~other than a political party unit as defined in section 10A.275~~, a political fund, a lobbyist, or a large giver, if the contribution will cause the aggregate contributions during the election cycle from those types of contributors to exceed an amount equal to 20 percent of the sum of:

(1) the expenditure limits for the election cycle for the office sought by the candidate; and

(2) the total noncampaign disbursements made by the candidate during the election cycle.

For purposes of this subdivision, "large giver" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Sec. 31. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 12, is amended to read:

Subd. 12. [CONTRIBUTIONS TO OTHER POLITICAL COMMITTEES OR FUNDS.] The treasurer of a political committee or political fund that makes contributions to candidates or to a political party unit, other than a candidate's principal campaign committee or a political party unit as defined in section 10A.275, shall not permit the political committee or political fund to accept aggregate contributions from an individual, political committee, or political fund in an amount more than ~~\$100~~ \$500 a year. A ballot question committee is exempt from this subdivision.

Sec. 32. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 4, is amended to read:

Subd. 4. (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Sec. 33. Minnesota Statutes 1992, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, $23\frac{1}{3}$ percent for the office of state senator, and $46\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account ~~not distributed to~~ refused by candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. ~~Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.~~

Sec. 34. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 7, is amended to read:

Subd. 7. Within two weeks after certification by the state canvassing board of the results of the general election, the board shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 1 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates, provided that the public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account and the public subsidy paid to match independent expenditures to exceed 50 percent of the expenditure limit for the candidate, or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. If a candidate is entitled to receive an opponent's share of the general account public subsidy under section 10A.25, subdivision 10, the opponent's share must be excluded in calculating the 50 percent limit. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted. ~~The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.~~ If a candidate has not yet filed a campaign finance report required by section 10A.20, subdivision 2, or the candidate owes money to the board, the board shall not pay a public subsidy to the candidate until the report has been filed or the debt has been paid, whichever applies.

Sec. 35. Minnesota Statutes 1992, section 10A.31, subdivision 11, is amended to read:

Subd. 11. For the purposes of this section, a write-in candidate is a candidate only upon complying with the provisions of ~~section 10A.32, subdivision 3~~ sections 10A.322 and 10A.323.

Sec. 36. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 12, is amended to read:

Subd. 12. [UNOPPOSED CANDIDATE NOT ELIGIBLE.] A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public subsidy from the state election campaign fund. The subsidy from the party account the candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under section 10A.31, subdivision 5, clause (6), and used for only those items permitted under section 10A.275.

Sec. 37. Minnesota Statutes 1993 Supplement, section 10A.315, is amended to read:

10A.315 [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to candidates for the same office at the last general election.

(b) If the filing period for the special election coincides with the filing period for the general election, the candidate must meet the matching requirements of section 10A.323 and the special election subsidy must be distributed in the same manner as money is distributed to legislative candidates in a general election.

(c) If the filing period for the special election does not coincide with the filing period for the general election, the procedures in this paragraph apply. A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. The candidate must meet one-quarter of the matching requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(d) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the state treasurer ethical practices board.

Sec. 38. Minnesota Statutes 1993 Supplement, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the candidate's general election. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

(e) A candidate who fills a vacancy in nomination that occurs after the deadline in paragraph (b) may file a spending limit agreement no later than the day after the candidate fills the vacancy.

Sec. 39. Minnesota Statutes 1992, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board shall make available to a political party on request, other than the political party organization within a municipality or precinct, and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 40. Minnesota Statutes 1993 Supplement, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 ~~or 10A.312~~ a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor:

(1) candidates for governor and lieutenant governor running together, \$35,000;

- (2) candidates for attorney general, \$15,000;
- (3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;
- (4) candidates for the senate, \$3,000; and
- (5) candidates for the house of representatives, \$1,500.

~~To be eligible to receive a public matching subsidy under section 10A.312, The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state and the total amount of those contributions received, disregarding the portion of any contribution in excess of \$50. For purposes of counting toward the matching requirement in this section, a contribution made by a check drawn on a joint account shall be allocated equally to each account holder, whether or not it was signed by all account holders.~~

The candidate or the candidate's treasurer shall submit the affidavit required by this section to the board in writing by September 1 of the general election year to receive the payment ~~based on the results of~~ made following the primary election, ~~by September 15 to receive the payment made October 1, by October 1 to receive the payment made October 15, by November 1 to receive the payment made November 15~~ made following the general election, and by December 1 to receive the payment made December 15.

Sec. 41. Minnesota Statutes 1993 Supplement, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund or the public matching subsidy received under section 10A.315, under the circumstances in this section or section 10A.25, subdivision 11.

(a) ~~To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.~~

(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) If the board determines that a candidate has filed an affidavit of matching contributions under section 10A.323 that is not supported by the campaign finance reports filed by the candidate under section 10A.20, the board shall notify the treasurer of the candidate's principal campaign committee and demand return of any public subsidy paid to the candidate for that election cycle. The treasurer shall return the entire public subsidy to the board.

Sec. 42. Minnesota Statutes 1992, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECKOFF.]

For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that money will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$2, ~~or in the case of a joint return, \$4, is designated~~ an amount has been checked off for a political party.

Sec. 43. Minnesota Statutes 1992, section 10A.34, is amended to read:

10A.34 [REMEDIES.]

Subdivision 1. A person charged with a duty under ~~sections 10A.02 to 10A.34~~ this chapter shall be personally liable for the penalty for failing to discharge it.

Subd. 1a. The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed or public subsidy paid pursuant to any provision of this chapter. All money recovered shall be deposited in the general fund of the state.

Subd. 2. The board or a county attorney may seek an injunction in the district court to enforce the provisions of sections 10A.02 to 10A.34 this chapter.

Subd. 3. Unless otherwise provided, a violation of sections 10A.02 to 10A.34 this chapter is not a crime.

Subd. 4. [AWARD OF COSTS.] If the board prevails in an action to enforce this chapter, the board may request and the court may award to the board its costs, disbursements, reasonable attorney's fees, and witness fees.

Sec. 44. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers, ~~or employees, or members,~~ or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 45. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 15, is amended to read:

Subd. 15. [NONPROFIT CORPORATION EXEMPTION.] The prohibitions in this section do not apply to a nonprofit corporation that:

- (1) ~~cannot engage in~~ is not organized or operating for the principal purpose of conducting a business activities;
- (2) has no shareholders or other persons affiliated so as to have a claim on its assets or earnings; and
- (3) was not established by a business corporation or a labor union and has a policy not to accept significant contributions from those entities.

Sec. 46. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 16, is amended to read:

Subd. 16. [EMPLOYEE POLITICAL FUND SOLICITATION.] Any solicitation of political contributions by an employee must be in writing, informational and nonpartisan in nature, and not promotional for any particular candidate or group of candidates. The solicitation must consist only of a general request on behalf of an ~~independent political committee (a conduit fund)~~ and must state that there is no minimum contribution, that a contribution or lack thereof will in no way impact the employee's employment, that the employee must direct the contribution to candidates of the employee's choice, and that any response by the employee shall remain confidential and shall not be directed to the employee's supervisors or managers. Questions from an employee regarding a solicitation may be answered orally or in writing consistent with the above requirements. Nothing in this subdivision authorizes a corporate donation of an employee's time prohibited under subdivision 2.

Sec. 47. Minnesota Statutes 1993 Supplement, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair or treasurer, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the ethical practices board upon its request. A claim must be filed with the commissioner not sooner than January 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to any candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 or 10A.43;

- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25 or 10A.43; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the ethical practices board by August 1 of each year a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 48. [ERRONEOUS PAYMENTS RATIFIED.]

Payments made by the state treasurer in 1990 under Minnesota Statutes, section 10A.31, subdivision 6, are ratified, notwithstanding any errors of the commissioner of revenue in certifying the amounts due.

Sec. 49. [REPEALER.]

Minnesota Statutes 1992, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; and 10A.324, subdivisions 2 and 4, are repealed.

Sec. 50. [TRANSITION.]

(a) During the period from January 1, 1993, to December 31, 1994, candidates seeking election to the house of representatives at the 1994 general election may accept from the kinds of contributors listed in section 10A.27, subdivision 11, aggregate contributions in an amount not greater than 20 percent of the sum of the following:

- (1) the election year contribution limit applicable to the candidate;
- (2) the contribution limit for the year before the election year for the office sought by the candidate; and
- (3) the total of any noncampaign disbursements made by the candidate from January 1, 1993, to December 31, 1994.

(b) During the period from January 1, 1991, to December 31, 1994, candidates seeking election to constitutional offices at the 1994 general election may accept from the kinds of contributors listed in section 10A.27, subdivision 11, aggregate contributions in an amount not greater than 20 percent of the sum of the following:

- (1) the election year contribution limit applicable to the candidate under Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1;

(2) three times the contribution limit under Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1, for the year before the election year for the office sought by the candidate; and

(3) the total of any noncampaign disbursements made by the candidate from January 1, 1993, to December 31, 1994.

Sec. 51. [EFFECTIVE DATE.]

This act is effective the day following final enactment. The amendment to section 10A.20, subdivision 3, is effective the day following final enactment and applies to the reporting of transfers, donations in kind, and loans received by the principal campaign committee of legislative and statewide candidates on and after January 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, ballot question committee, political party committee, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an individual or an association other than the political committee, political fund, ballot question committee, political party committee, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, political party committee, ballot question committee, political committee, or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

Sec. 2. Minnesota Statutes 1992, section 10A.01, subdivision 7a, is amended to read:

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political party committee, political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate ~~or for the purpose of promoting or defeating a ballot question; or to a ballot question committee for the purpose of promoting or defeating a ballot question.~~

Sec. 3. Minnesota Statutes 1992, section 10A.01, subdivision 7b, is amended to read:

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate ~~or for the purpose of promoting or defeating a ballot question; or to a ballot question committee for the purpose of promoting or defeating a ballot question.~~ Donation in kind includes an approved expenditure.

Sec. 4. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 14a. [POLITICAL PARTY COMMITTEE.] "Political party committee" is a party unit required to register under section 10A.14.

Sec. 5. Minnesota Statutes 1992, section 10A.01, subdivision 15, is amended to read:

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate ~~or to promote or defeat a ballot question.~~

~~"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.~~

Sec. 6. Minnesota Statutes 1992, section 10A.01, subdivision 16, is amended to read:

Subd. 16. "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate ~~or for the purpose of promoting or defeating a ballot question.~~

Sec. 7. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 17a. [PARTY UNIT.] "Party unit" means the party organization within each house of the legislature; the state party organization; or the party organization within a congressional district, county, legislative district, municipality, or precinct.

Sec. 8. Minnesota Statutes 1992, section 10A.01, subdivision 21, is amended to read:

Subd. 21. "Loan" means an advance of money or anything of value made to a political committee, political fund, political party committee, ballot question committee, or principal campaign committee.

Sec. 9. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 23a. [BALLOT QUESTION COMMITTEE.] "Ballot question committee" is an association as defined in subdivision 3 whose purpose is to promote or defeat a ballot question, including efforts to qualify or oppose the qualification of a question for the ballot, and which is required to register under section 10A.14.

Sec. 10. Minnesota Statutes 1993 Supplement, section 10A.065, subdivision 5, is amended to read:

Subd. 5. [POLITICAL PARTY COMMITTEE.] This section does not apply to a political party committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by a candidate for a judicial office; or to a member of such a political committee acting solely on behalf of the committee.

Sec. 11. Minnesota Statutes 1992, section 10A.11, is amended to read:

10A.11 [ORGANIZATION OF POLITICAL COMMITTEES.]

Subdivision 1. Every political party committee, ballot question committee, and political committee shall have a chair and a treasurer. ~~Nothing in this chapter shall prohibit them from being who may be~~ the same individual.

Subd. 2. No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer.

Subd. 3. The treasurer of a political committee may appoint as many deputy treasurers as necessary and shall be responsible for their accounts.

Subd. 4. The treasurer of a political committee may designate not more than two depositories in each county in which a campaign is conducted.

Subd. 5. No funds of a political committee shall be commingled with any personal funds of officers, members or associates of the committee.

Subd. 7. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1992, section 10A.13, is amended to read:

10A.13 [ACCOUNTS WHICH MUST BE KEPT.]

Subdivision 1. The treasurer of a principal campaign committee, political party committee, political committee, ballot question committee, or political fund shall keep an account of:

(a) The sum of all contributions except any donation in kind valued at \$20 or less, made to the political committee or political fund;

(b) The name and address of each source of a transfer made to the ~~political~~ committee or ~~political~~ fund in excess of \$20, together with the date and amount of each;

(c) The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;

(d) Each expenditure made by the committee or fund, together with the date and amount;

(e) Each approved expenditure made on behalf of the committee or fund, together with the date and amount; and

(f) The name and address of each ~~political~~ committee or ~~political~~ fund to which transfers in excess of \$20 have been made, together with the date and amount.

Any individual who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure in excess of \$100 made by, or approved expenditure in excess of \$100 made on behalf of, a ~~political~~ committee or ~~political~~ fund, and for any expenditure or approved expenditure in a lesser amount if the aggregate amount of lesser expenditures and approved expenditures made to the same individual or association during any year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 13. Minnesota Statutes 1992, section 10A.14, subdivision 1, is amended to read:

10A.14 [REGISTRATION OF ~~POLITICAL~~ COMMITTEES AND POLITICAL FUNDS.]

Subdivision 1. The treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has made a contribution, received contributions or made expenditures in excess of \$100.

Sec. 14. Minnesota Statutes 1993 Supplement, section 10A.14, subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

(a) the name and address of the a political party committee, principal campaign committee, ballot question committee, political committee, or political fund;

(b) the name and address of any supporting association of a political fund or a ballot question committee;

(c) the name and address of the chair, the treasurer, and any deputy treasurers of the committee or fund;

(d) a listing of all depositories or safety deposit boxes used;

(e) a statement as to whether the ~~committee entity~~ is a principal campaign committee ~~as authorized by section 10A.19, subdivision 1, political party committee, ballot question committee, political committee, or political fund~~; and

(f) for political parties only, a list of categories of substate party units as defined in section ~~10A.27, subdivision 4~~ 10A.01, subdivision 17a.

Sec. 15. [10A.145] [BALLOT QUESTION COMMITTEE.]

Subdivision 1. [GENERAL.] A ballot question committee must register at the time and in the manner required by section 10A.14 and must comply with the organization requirements of section 10A.11, keep accounts as required by section 10A.13, and file reports under section 10A.20. A ballot question committee may, if not prohibited by other law, accept money derived from dues or membership fees. Pursuant to section 10A.20, the treasurer shall disclose the name of any member whose dues, membership fees, and contributions deposited in the ballot question committee together exceed \$100 in any one year.

Subd. 2. [RESTRICTIONS; PENALTY.] A ballot question committee shall not make a contribution to a candidate, principal campaign committee, political party committee, political committee, or political fund. A ballot question committee shall not make independent expenditures on behalf of or in opposition to any candidate, or any expenditures on behalf of or in opposition to the candidates of any political party.

A person who knowingly violates the provisions of this subdivision is guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 1992, section 10A.15, subdivision 1, is amended to read:

Subdivision 1. No anonymous contribution in excess of \$20 shall be retained by any political party committee, principal campaign committee, ballot question committee, political committee, or political fund, but shall be forwarded to the board and deposited in the general account of the state elections campaign fund.

Sec. 17. Minnesota Statutes 1992, section 10A.15, subdivision 2, is amended to read:

Subd. 2. Every individual who receives a contribution in excess of \$20 for a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall, on demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, together with the amount of the contribution and the date it was received.

Sec. 18. Minnesota Statutes 1992, section 10A.15, subdivision 3, is amended to read:

Subd. 3. All transfers received by or on behalf of any candidate, principal campaign committee, political party committee, political committee, ballot question committee, or political fund shall be deposited in an account designated "Campaign Fund of (name of candidate, committee or fund)." All transfers shall be deposited promptly upon receipt and, except for transfers received during the last three days of any reporting period as described in section 10A.20, shall be deposited during the reporting period in which they were received. Any transfer received during the last three days of a reporting period shall be deposited within 72 hours of receipt and shall be reported as received during the reporting period whether or not deposited within that period. Any deposited transfer may be returned to the contributor within 60 days of deposit. A transfer deposited and not returned within 60 days of that deposit shall be deemed for the purposes of this chapter, to be accepted by the candidate, political committee or political fund.

Sec. 19. Minnesota Statutes 1993 Supplement, section 10A.16, is amended to read:

10A.16 [EARMARKING CONTRIBUTIONS PROHIBITED.]

An individual, political committee, principal campaign committee, or political fund may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient. An individual, principal campaign committee, political committee, or political fund who knowingly accepts any earmarked contribution is guilty of a gross misdemeanor.

Sec. 20. Minnesota Statutes 1992, section 10A.17, subdivision 1, is amended to read:

Subdivision 1. No expenditure shall be made by a political party committee, principal campaign committee, ballot question committee, political committee, political fund, or principal campaign committee unless it is authorized by the treasurer or deputy treasurer of that committee or fund.

Sec. 21. Minnesota Statutes 1992, section 10A.17, subdivision 3, is amended to read:

Subd. 3. The treasurer or deputy treasurer of a political principal campaign committee may sign vouchers for petty cash of not more than \$100 per week for statewide elections or \$20 per week for legislative elections to be used for miscellaneous expenditures.

Sec. 22. Minnesota Statutes 1992, section 10A.18, is amended to read:

10A.18 [BILLS WHEN RENDERED AND PAID.]

Every person who has a bill, charge or claim against any political party committee, principal campaign committee, ballot question committee, political committee, or political fund for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to so present the bill, charge or claim is a misdemeanor.

Sec. 23. Minnesota Statutes 1992, section 10A.20, subdivision 1, is amended to read:

Subdivision 1. The treasurer of every political party committee, principal campaign committee, ballot question committee, political committee, and political fund shall begin to file the reports required by this section in the first year it receives contributions or makes expenditures in excess of \$100 and shall continue to file until the committee or fund is terminated.

Sec. 24. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 2, is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year and additional reports shall be filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed ten days before a primary and a general election, seven days before a special primary and a special election, and ten days after a special election cycle. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

(b) In each general election year political party committees, political committees, ballot question committees, and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 25. Minnesota Statutes 1992, section 10A.20, subdivision 7, is amended to read:

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate, political party committee, principal campaign committee, ballot question committee, political fund, or political committee during a reporting period, the treasurer of the committee or fund shall file with the board at the time required by this section a statement to that effect.

Sec. 26. Minnesota Statutes 1992, section 10A.20, subdivision 8, is amended to read:

Subd. 8. The board shall exempt any member of or contributor to any association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund or any other individual from the provisions of this section if the member, contributor or other individual demonstrates by clear and convincing evidence that disclosure would expose the member or contributor to economic reprisals, loss of employment or threat of physical coercion.

An association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund may seek an exemption for all of its members or contributors if it demonstrates by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Sec. 27. Minnesota Statutes 1992, section 10A.20, subdivision 10, is amended to read:

Subd. 10. Any individual, association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund seeking an exemption pursuant to subdivision 8 shall submit a written application for exemption to the board. The board, without hearing, shall grant or deny the exemption within 30 days after receiving an application, and shall issue a written order stating the reasons for its action. The board shall publish its order in the State Register and give notice to all parties known to the board to have an interest in the matter. If the board receives a written objection to its action from any party within 20 days after publication of its order and notification of interested parties, the board shall hold a contested case hearing on the matter. Upon the filing of a timely objection from the applicant, an order denying an exemption shall be suspended pending the outcome of the contested case. If no timely objection is received the exemption shall continue to be in effect until a written objection is filed with the board in a succeeding election year. The board by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if the individual would be exposed to the reprisals listed in subdivision 8 if the individual's identity were to be revealed for the purposes of a hearing.

Sec. 28. Minnesota Statutes 1992, section 10A.20, subdivision 13, is amended to read:

Subd. 13. [THIRD PARTY REIMBURSEMENT.] An individual, political party committee, principal campaign committee, ballot question committee, political committee, or political fund filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party is required to report the purpose of each expenditure or disbursement for which the third party is being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

Sec. 29. Minnesota Statutes 1992, section 10A.22, subdivision 1, is amended to read:

Subdivision 1. A report or statement required by sections 10A.11 to 10A.34 to be filed by a treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund, or by any other individual, shall be signed and certified as true by the individual required to file the report. Any individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

Sec. 30. Minnesota Statutes 1992, section 10A.22, subdivision 5, is amended to read:

Subd. 5. A political party committee, political committee, or political fund making an expenditure on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

Sec. 31. Minnesota Statutes 1992, section 10A.22, subdivision 7, is amended to read:

Subd. 7. [STATEMENT REQUIRED; PENALTY.] (a) The treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall not accept a contribution of more than \$100 from an association not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure and reporting period requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing association. The political party committee, principal campaign committee, ballot question committee, political committee, or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when a national political party transfers money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three political party committees, principal campaign committees, ballot question committees, political committees, or political funds in any calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty up to \$1,000 if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three political committees or political funds in any calendar year.

An officer of an association who violates this paragraph is guilty of a misdemeanor.

Sec. 32. Minnesota Statutes 1992, section 10A.24, as amended by Laws 1993, chapter 318, article 2, section 19, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. [TERMINATION REPORT.] No political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. "Assets" include credit balances at vendors and physical assets such as computers and postage stamps. Physical assets must be listed at their fair market value. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. [TERMINATION ALLOWED.] Notwithstanding subdivision 1, after mailing notice to any remaining creditors by certified mail, a political party committee, principal campaign committee, ballot question committee, political committee, or political fund that has debts incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.

Sec. 33. Minnesota Statutes 1992, section 10A.242, subdivision 1, is amended to read:

Subdivision 1. [DISSOLUTION REQUIRED.] A political party committee, principal campaign committee, ballot question committee, political committee, or political fund must be dissolved within 60 days after receiving notice from the board that the committee or fund has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign fund within 60 days after the board notifies the committee or fund that it has become inactive.

Sec. 34. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee ~~other than a political party unit as defined in section 10A.275~~, a political fund, a lobbyist, or a large giver, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate. For purposes of this subdivision, "large giver" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Sec. 35. Minnesota Statutes 1993 Supplement, section 10A.28, subdivision 2, is amended to read:

Subd. 2. A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27, and the treasurer of a political fund or political committee, ~~other than a principal campaign committee~~, who permits the committee or fund to accept contributions in excess of the limits imposed by section 10A.27, shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Sec. 36. [REPEALER.]

Minnesota Statutes 1992, section 10A.275, subdivision 3, is repealed.

Delete the title and insert:

"A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; amending Minnesota Statutes 1992, sections 10A.01, subdivisions 7, 7a, 7b, 15, 16, 21, 25, and by adding subdivisions; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 5 and 7; 10A.05; 10A.065, by adding a subdivision; 10A.08; 10A.09, subdivision 7; 10A.11; 10A.13; 10A.14, subdivisions 1 and 4; 10A.15, subdivisions 1, 2, 3, 3a, and by adding a subdivision; 10A.17, subdivisions 1 and 3; 10A.18; 10A.20, subdivisions 1, 5, 7, 8, 10, 12, and 13; 10A.21, subdivision 3; 10A.22, subdivisions 1, 5, and 7; 10A.23; 10A.24, as amended; 10A.242, subdivision 1; 10A.27, by adding a subdivision; 10A.31, subdivisions 5 and 11; 10A.322, subdivision 4; 10A.335; 10A.34; Minnesota Statutes 1993 Supplement, sections 10A.01, subdivision 10c; 10A.065, subdivisions 1 and 5; 10A.14, subdivision 2; 10A.16; 10A.20, subdivisions 2, 3, and 6b; 10A.25, subdivisions 2, 6, 11, and 13; 10A.27, subdivisions 1, 9, 10, 11, and 12; 10A.28, subdivision 2; 10A.31, subdivisions 4, 7, and 12; 10A.315; 10A.322, subdivision 1; 10A.323; 10A.324, subdivision 1; 211B.15, subdivisions 2, 15, and 16; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1992, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; 10A.275, subdivision 3; 10A.324, subdivisions 2 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 2342, A bill for an act relating to taxation; motor fuels; establishing permit system for alternate fuel vehicles; setting permit fees based on vehicle weight; amending Minnesota Statutes 1993 Supplement, sections 296.02, subdivision 1a; and 296.025, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 296.

Reported the same back with the following amendments:

Page 2, line 15, delete "\$290" and insert "\$350"

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 2503, A bill for an act relating to energy; reestablishing electric energy policy; establishing a hierarchy of preferred electric energy sources; establishing a legislative task force to oversee implementation of energy policy; establishing intervenor compensation account with revenues from utility assessments; clarifying the availability of intervenor compensation in proceedings before the public utilities commission; authorizing the public utilities commission to set discounted rates for low-income customers; establishing specific guidelines for payment to small power producers and cogenerators under certain circumstances; requiring compliance by a utility with a conservation improvement and resource planning requirements prior to the utility seeking a certificate of need for new or expanded facilities and rate increases; amending various statutes to conform with the reestablished energy policy; providing funding for the building energy research center and the energy center at the Red Wing/Winona technical college; providing demonstration grants for wind energy conversion facilities at public post-secondary institutions; providing for state bonding; appropriating money; amending Minnesota Statutes 1992, sections 216A.07, subdivision 3; 216A.085, subdivision 1; 216B.01; 216B.02, by adding subdivisions; 216B.03; 216B.11; 216B.16, subdivision 6, and by adding a subdivision; 216B.162, subdivisions 2, 4, and 8; 216B.164, subdivisions 1, 3, 6, and 7; 216B.17, subdivisions 1, 6, and 6a; 216B.243, subdivisions 3, 3a, and 4; 216C.01, subdivision 1; 216C.05; 216C.09; 216C.10; 216C.14, subdivision 2; 216C.17, subdivision 5; 216C.18, subdivisions 1 and 1a; 216C.315; 216C.38, by adding a subdivision; and 216C.381, subdivision 1; Minnesota Statutes 1993 Supplement, sections 216B.16, subdivision 1; 216B.162, subdivision 7; 216B.164, subdivision 4; and 216B.2422, subdivisions 1, 2, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C; repealing Minnesota Statutes 1992, sections 216B.16, subdivision 10; Minnesota Statutes 1993 Supplement, section 216B.242.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5,

6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 65B.49, subdivision 2; 79.36; 256.9657, by adding a subdivision; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9356, subdivision 3; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62E; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Page 18, line 22, after the period, insert "The advisory group expires June 30, 1997. No more than seven members may be of the same gender."

Page 59, line 8, after the period, insert "The advisory committee expires January 1, 1995."

Page 59, line 21, after the period, insert "The advisory committee expires January 1, 1995."

Page 64, line 12, after the period, insert "No more than one-half plus one of the members may be of the same gender."

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

The report was adopted.

Brown, C., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2598, A bill for an act relating to state government; board of government innovation and cooperation; authorizing local governments to apply to the board for waivers on behalf of nonprofit organizations providing services to the local governments; modifying certain powers and duties of the board; modifying grant programs administered by the board; appropriating money; amending Minnesota Statutes 1993 Supplement, sections 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; and 465.799; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 1992, section 465.80, subdivision 3; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5.

Reported the same back with the following amendments:

Page 8, line 12, reinstate the stricken language and delete the new language

Page 9, line 13, reinstate the stricken language and delete the new language

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Gambling/State Government Finance Division.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2603, A bill for an act relating to civil actions; consolidating and recodifying statutes providing limitations on private personal injury liability; amending Minnesota Statutes 1992, section 144.761, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GOOD SAMARITANS

Section 1. [604A.01] [GOOD SAMARITAN LAW.]

Subdivision 1. [DUTY TO ASSIST.] A person at the scene of an emergency who knows that another person is exposed to or has suffered grave physical harm shall, to the extent that the person can do so without danger or peril to self or others, give reasonable assistance to the exposed person. Reasonable assistance may include obtaining or attempting to obtain aid from law enforcement or medical personnel. A person who violates this subdivision is guilty of a petty misdemeanor.

Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.] (a) A person who, without compensation or the expectation of compensation, renders emergency care, advice, or assistance at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care, advice, or assistance, unless the person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance. This subdivision does not apply to a person rendering emergency care, advice, or assistance during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering the care, advice, or assistance.

(b) For the purposes of this section, the scene of an emergency is an area outside the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 148, 150A, or 153. The scene of an emergency includes areas threatened by or exposed to spillage, seepage, fire, explosion, or other release of hazardous materials, and includes ski areas and trails.

(c) For the purposes of this section, "person" includes a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, volunteer first provider of emergency medical services, volunteer ski patroller, and any partnership, corporation, association, or other entity.

(d) For the purposes of this section, "compensation" does not include payments, reimbursement for expenses, or pension benefits paid to members of volunteer organizations.

Sec. 2. [604A.02] [AID TO SHOOTING VICTIM.]

A person who is subject to the duty imposed by section 609.662, subdivision 3, who, without compensation or expectation of compensation, renders assistance to the injured person, is not liable for any civil damages as a result of acts or omissions by that person in rendering the assistance unless that person acts in a willful and wanton or reckless manner in rendering the assistance. This section does not apply to a person who renders the assistance during the course of regular employment and receives compensation or expects to receive compensation for rendering the assistance.

Sec. 3. [604A.03] [MISCELLANEOUS GOOD SAMARITAN LAWS.]

Certain persons who provide assistance at the scene of a hazardous materials response incident are not liable for damages to the extent provided in section 299A.51, subdivision 3.

ARTICLE 2

VOLUNTEER AND CHARITABLE ACTIVITIES

Section 1. [604A.10] [LIABILITY OF FOOD DONORS.]

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

(b) "Distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, that may not be readily marketable due to appearance, freshness, grade, surplus, or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.

(c) "Food bank" means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purpose of reducing hunger and meeting nutritional needs.

(d) "Food facility" means:

(1) a restaurant, food establishment, vehicle, vending machine, produce stand, temporary food facility, satellite food distribution facility, stationary mobile food preparation unit, or mobile food preparation unit;

(2) a place used in conjunction with the operations described in clause (1), including, but not limited to, storage facilities for food-related utensils, equipment, and materials; or

(3) a farmers' market.

(e) "Nonprofit charitable organization" means an organization that is incorporated under the Minnesota nonprofit corporation act and is operating for charitable purposes.

Subd. 2. [DONATION; DISTRESSED FOOD.] A food manufacturer, distributor, processor, or a person who donates or collects distressed food to or for a nonprofit charitable organization for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, is not liable for any injury, including, but not limited to, injury resulting from the ingestion of the distressed food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food manufacturer, processor, distributor, or person.

Subd. 3. [DISTRIBUTION.] A food bank or nonprofit charitable organization that in good faith collects or receives and distributes to the elderly or needy, at no charge, food that is fit for human consumption at the time it is distributed, is not liable for any injury, including, but not limited to, injury resulting from the ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food bank or nonprofit charitable organization.

Subd. 4. [OTHER FOOD DONATION.] A food facility that donates, to a food bank or other nonprofit charitable organization, food that is fit for human consumption at the time of donation and distributed by the food bank or nonprofit charitable organization to the elderly or needy at no charge, is not liable for any injury, including, but not limited to, liability resulting from ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food facility.

Subd. 5. [AUTHORITY NOT RESTRICTED.] This section does not restrict the authority of the commissioner of agriculture to regulate or ban the use or consumption of distressed food donated, collected, or received for charitable purposes.

Sec. 2. [604A.11] [VOLUNTEER ATHLETIC COACHES AND OFFICIALS; PHYSICIANS AND TRAINERS; IMMUNITY FROM LIABILITY.]

Subdivision 1. [GRANT.] (a) No individual who provides services or assistance without compensation as an athletic coach, manager, official, physician, or certified athletic trainer for a sports team that is organized or performing under a nonprofit charter, and no community-based, voluntary nonprofit athletic association, or any

volunteer of the nonprofit athletic association, is liable for money damages to a player, participant, or spectator as a result of an individual's acts or omissions in the providing of that service or assistance either at the scene of the event or, in the case of a physician or athletic trainer, while the player, participant, or spectator is being transported to a hospital, physician's office, or other medical facility.

(b) This section applies to organized sports competitions and practice and instruction in that sport.

(c) For purposes of this section, "compensation" does not include reimbursement for expenses.

Subd. 2. [LIMITATION.] Subdivision 1 does not apply:

(1) to the extent that the acts or omissions are covered under an insurance policy issued to the entity for whom the coach, manager, or official serves;

(2) if the individual acts in a willful and wanton or reckless manner in providing the services or assistance;

(3) if the acts or omissions arise out of the operation, maintenance, or use of a motor vehicle;

(4) to an athletic coach, manager, official, physician, or certified athletic trainer who provides services or assistance as part of a public or private educational institution's athletic program; or

(5) if the individual acts in violation of federal, state, or local law.

The limitation in clause (1) constitutes a waiver of the defense of immunity to the extent of the liability stated in the policy, but has no effect on the liability of the individual beyond the coverage provided.

Sec. 3. [604A.12] [LIVESTOCK ACTIVITIES; IMMUNITY FROM LIABILITY.]

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

(b) "Inherent risks of livestock activities" means dangers or conditions that are an integral part of livestock activities, including:

(1) the propensity of livestock to behave in ways that may result in death or injury to persons on or around them, such as kicking, biting, or bucking;

(2) the unpredictability of livestock's reaction to things like sound, sudden movement, unfamiliar objects, persons, or other animals;

(3) natural hazards such as surface or subsurface conditions; or

(4) collisions with other livestock or objects.

(c) "Livestock" means cattle, sheep, swine, horses, ponies, donkeys, mules, hinnies, goats, buffalo, llamas, or poultry.

(d) "Livestock activity" means an activity involving the maintenance or use of livestock, regardless of whether the activity is open to the general public, provided the activity is not performed for profit. Livestock activity includes:

(1) livestock production;

(2) loading, unloading, or transporting livestock;

(3) livestock shows, fairs, competitions, performances, races, rodeos, or parades;

(4) livestock training or teaching activities;

(5) boarding, shoeing, or grooming livestock; or

(6) riding or inspecting livestock or livestock equipment.

(e) "Livestock activity sponsor" means a person who sponsors, organizes, or provides the facilities for a livestock activity that is open to the general public.

(f) "Participant" means a person who directly and intentionally engages in a livestock activity. Participant does not include a spectator who is in an authorized area.

Subd. 2. [IMMUNITY FROM LIABILITY.] Except as provided in subdivision 3, a nonprofit corporation, association, or organization, or a person or other entity providing services, livestock, facilities, or equipment for the use of a nonprofit corporation, association, or organization, is not liable for the death of or an injury to a participant resulting from the inherent risks of livestock activities.

Subd. 3. [EXCEPTIONS.] Subdivision 2 does not apply if any of the following exist:

(1) the person provided livestock for the participant and failed to make reasonable efforts to determine the ability of the participant to safely engage in the livestock activity or to determine the ability of the participant to safely manage the particular livestock based on the participant's representations of the participant's ability;

(2) the person provided equipment or tack for the livestock and knew or should have known that it was faulty to the extent that it caused the injury or death;

(3) the person owns or leases the land upon which a participant was injured or died because of a manmade dangerous latent condition and failed to use reasonable care to protect the participant;

(4) the person is a livestock activity sponsor and fails to comply with the notice requirement of subdivision 4; or

(5) the act or omission of the person was negligent.

Subd. 4. [POSTING NOTICE.] A livestock activity sponsor shall post plainly visible signs at one or more prominent locations in the premises where the livestock activity takes place that include a warning of the inherent risks of livestock activity and the limitation of liability under this section.

Sec. 4. [604A.13] [MISCELLANEOUS VOLUNTEER AND CHARITABLE ACTIVITIES.]

An individual and an individual's estate are not liable for an anatomical gift as provided in section 525.9221, paragraph (d).

Sec. 5. [EFFECTIVE DATE; APPLICATION.]

Section 3 is effective August 1, 1994, and applies to causes of action arising on or after that date.

ARTICLE 3

ACTIVITIES INVOLVING A PUBLIC BENEFIT OR FUNCTION

Section 1. [604A.20] [RECREATIONAL LAND USE; DEFINITIONS.]

Subdivision 1. [GENERAL.] For the purposes of sections 1 to 7, the terms defined in this section have the meanings given them, except where the context clearly indicates otherwise.

Subd. 2. [CHARGE.] "Charge" means any admission price asked or charged for services, entertainment, recreational use, or other activity or the offering of products for sale to the recreational user by a commercial for profit enterprise directly related to the use of the land.

Subd. 3. [LAND.] "Land" means privately owned or leased land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the land.

Subd. 4. [OWNER.] "Owner" means the possessor of a fee interest or a life estate, tenant, lessee, occupant, or person in control of the land.

Subd. 5. [RECREATIONAL PURPOSE.] "Recreational purpose" includes, but is not limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking; bicycling; horseback riding; firewood gathering; pleasure driving, including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across land in any manner; nature study; water skiing; winter sports; and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Sec. 2. [604A.21] [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

Except as provided in section 5, an owner:

- (1) owes no duty of care to render or maintain the land safe for entry or use by other persons for recreational purposes;
- (2) owes no duty to warn those persons of any dangerous condition on the land, whether patent or latent;
- (3) owes no duty of care toward those persons except to refrain from willfully taking action to cause injury; and
- (4) owes no duty to curtail use of the land during its use for recreational purposes.

Sec. 3. [604A.22] [OWNER'S LIABILITY.]

Except as provided in section 5, an owner who either directly or indirectly invites or permits without charge any person to use the land for recreational purposes does not by that action:

- (1) extend any assurance that the land is safe for any purpose;
- (2) confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or
- (3) assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.

Sec. 4. [604A.23] [LIABILITY; LEASED LAND, WATER FILLED MINE PITS.]

Unless otherwise agreed in writing, sections 2 and 3 also apply to the duties and liability of an owner of the following land:

- (1) land leased to the state or any political subdivision for recreational purposes; or
- (2) idled or abandoned, water filled mine pits whose pit walls may slump or cave, and to which water the public has access from a water access site operated by a public entity.

Sec. 5. [604A.24] [OWNER'S LIABILITY; NOT LIMITED.]

Except as provided in sections 1 to 7, nothing in those sections limits liability that otherwise exists for injury suffered in any case where the owner charges the persons who enter or go on the land for the recreational use, except that in the case of land leased to the state or a political subdivision, any consideration received from the state or political subdivision by the owner for the lease is not considered a charge within the meaning of this section.

Sec. 6. [604A.25] [LAND USER'S LIABILITY.]

Nothing in sections 1 to 7:

- (1) creates a duty of care or ground of liability for injury to persons or property; or
- (2) relieves any person using the land of another for recreational purposes from any obligation that the person may have in the absence of sections 1 to 7 to exercise care in use of the land and in the person's activities on the land, or from the legal consequences of failure to employ that care.

Sec. 7. [604A.26] [DEDICATION; EASEMENT.]

No dedication of any land in connection with any use by any person for a recreational purpose takes effect in consequence of the exercise of that use for any length of time except as expressly permitted or provided in writing by the owner, nor shall the grant of permission for the use by the owner grant to any person an easement or other property right in the land except as expressly provided in writing by the owner.

Sec. 8. [604A.27] [BREATH ALCOHOL TESTING DEVICE IN LIQUOR ESTABLISHMENTS.]

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

(b) "Breath alcohol testing device" means a device that tests for alcohol concentration by using a breath sample.

(c) "Licensed premises" has the meaning given in section 340A.101, subdivision 15.

(d) "Liquor licensee" means a person licensed under sections 340A.403 to 340A.407 or 340A.414, and includes an agent or employee of a licensee.

Subd. 2. [IMMUNITY FROM LIABILITY.] (a) Subject to subdivision 3, a liquor licensee who administers or makes available a breath alcohol testing device in the licensed premises is immune from any liability arising out of the result of the test.

(b) Subject to subdivision 3, a designer, manufacturer, distributor, or seller of a breath alcohol testing device is immune from any products liability or other cause of action arising out of the result of a test by the breath alcohol testing device in a licensed premises.

Subd. 3. [IMMUNITY REQUIREMENTS.] Subdivision 2 applies only if:

(1) a conspicuous notice is posted in the licensed premises:

(i) informing patrons of the immunity provisions of subdivision 2 and notifying them that the test is made available solely for their own informal use and information; and

(ii) informing patrons of the alcohol-related driving penalties under sections 169.121 to 169.123, 169.129, and 609.21;

(2) the type of breath alcohol testing device is certified by the commissioner of public safety under subdivision 7; and

(3) the breath alcohol testing device test results are indicated as follows:

(i) the breath alcohol testing device shows a white light and gives a reading of alcohol concentration if alcohol concentration is less than .05;

(ii) the breath alcohol testing device shows a yellow light and gives a reading of alcohol concentration if alcohol concentration is .05 or more but less than .08;

(iii) the breath alcohol testing device shows an orange light and gives a reading of alcohol concentration if alcohol concentration is .08 or more but less than .10, and displays a message that states "You are close to the legal limit and your driving may be impaired"; or

(iv) the breath alcohol testing device shows a red light if alcohol concentration is .10 or greater but does not give a reading of alcohol concentration, and displays a message that states that the person fails the test.

Subd. 4. [EVIDENCE.] Evidence regarding the result of a test by a breath alcohol testing device in a licensed premises is not admissible in any civil or criminal proceeding.

Subd. 5. [DRAMSHOP.] This section does not affect liability under section 340A.801.

Subd. 6. [PREPARATION OF NOTICE.] The commissioner of public safety shall prepare and make available to liquor licensees the notices described in subdivision 3.

Subd. 7. [RULES; CERTIFICATION.] The commissioner of public safety shall adopt any rules reasonably required to implement this section, including performance and maintenance standards for breath alcohol testing devices. The commissioner shall certify breath alcohol testing devices that meet the performance standards. The costs of rulemaking and certification must be borne by the manufacturers of the breath alcohol testing devices.

Sec. 9. [604A.28] [MISCELLANEOUS PUBLIC BENEFIT OR FUNCTION.]

Subdivision 1. [NURSING HOME RECEIVERS.] Certain nursing home receivers are immune from personal liability as provided in section 144A.15, subdivision 4.

Subd. 2. [HEALTH CARE REVIEW ORGANIZATIONS.] Certain persons involved in health care review organization activities are immune from liability as provided in section 145.63.

Subd. 3. [BACKGROUND CHECKS.] Certain persons who issue certificates in conjunction with gun permit background checks are immune from liability as provided in section 624.713, subdivision 1.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY DEFENSE.] It is a defense to a civil action for damages against a teacher school official, as defined in section 609.2231, subdivision 5, or a volunteer in the school to prove that the force used by the teacher official or volunteer was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm or death to another.

Sec. 2. Minnesota Statutes 1992, section 144.761, subdivision 5, is amended to read:

Subd. 5. [EMERGENCY MEDICAL SERVICES PERSONNEL.] "Emergency medical services personnel" means:

- (1) individuals employed to provide prehospital emergency medical services;
- (2) persons employed as licensed police officers under section 626.84, subdivision 1, who experience a significant exposure in the performance of their duties;
- (3) firefighters, paramedics, emergency medical technicians, licensed nurses, rescue squad personnel, or other individuals who serve as employees or volunteers of an ambulance service as defined by sections 144.801 to 144.8091, who provide prehospital emergency medical services;
- (4) crime lab personnel receiving a significant exposure while involved in a criminal investigation;
- (5) correctional guards, including security guards at the Minnesota security hospital, employed by the state or a local unit of government who experience a significant exposure to an inmate who is transported to a facility for emergency medical care; and
- (6) other persons who render emergency care or assistance at the scene of an emergency, or while an injured person is being transported to receive medical care, and who would qualify for immunity from liability under the good samaritan law, section 604.05 604A.01.

Sec. 3. Minnesota Statutes 1993 Supplement, section 540.18, subdivision 1, is amended to read:

Subdivision 1. The parent or guardian of the person of a minor who is under the age of 18 and who is living with the parent or guardian and who willfully or maliciously causes injury to any person or damage to any property is jointly and severally liable with such minor for such injury or damage to an amount not exceeding \$1,000, if such minor would have been liable for such injury or damage if the minor had been an adult; provided that the liability provided in this subdivision is limited to \$5,000 for personal injury damages and \$1,000 for property damages or, in the case of an indigent parent or guardian, services in an equivalent value performed for the person who suffered injury to person or property. Nothing in this subdivision shall be construed to relieve such minor from personal liability for such injury or damage. The liability provided in this subdivision is in addition to and not in lieu of any other liability which may exist at law. Recovery under this section shall be limited to special damages.

Sec. 4. Minnesota Statutes 1992, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

- (a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6;

(b) Intentionally and without authorization ~~and~~ or with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 5. Minnesota Statutes 1992, section 609.89, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or

(b) Intentionally and without claim of right, and with intent to ~~permanently~~ deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.

Sec. 6. [609.8911] [REPORTING VIOLATIONS.]

A person who has reason to believe that any provision of section 609.88, 609.89, or 609.891 is being or has been violated shall report the suspected violation to the prosecuting authority in the county in which all or part of the suspected violation occurred. A person who makes a report under this section is immune from any criminal or civil liability that otherwise might result from the person's action, if the person is acting in good faith.

Sec. 7. [609.8912] [CIVIL REMEDIES.]

A cause of action exists for injury caused by a violation of section 609.88, 609.89, or 609.891. The cause of action exists against any person who commits computer damage, computer theft, or unauthorized computer access, regardless of whether the person is convicted of the violation. A person found liable for injuries under this section is liable to the injured person for compensatory damages.

This cause of action is in addition to and does not supplant any other available civil remedies.

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 4 and 5 are effective August 1, 1994, and apply to crimes committed on or after that date. Section 7 is effective August 1, 1994, and applies to causes of action arising on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; consolidating and recodifying statutes; providing limitations on private personal injury liability; requiring reporting of violations of computer crimes; providing a cause of action for injury caused by a violation of computer crimes; amending Minnesota Statutes 1992, sections 127.03, subdivision 3; 144.761, subdivision 5; 609.88, subdivision 1; and 609.89, subdivision 1; Minnesota Statutes 1993 Supplement, section 540.18, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Brown, C., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2645, A bill for an act relating to counties; providing for the filling by appointment of certain offices previously elective; providing for conforming changes; amending Minnesota Statutes 1992, section 382.01; repealing Minnesota Statutes 1992, section 382.02.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 375A.10, subdivision 2, is amended to read:

Subd. 2. [CERTAIN OFFICES.] In addition to the other options provided by sections 375A.01 to 375A.13, ~~any~~ a county may institute one or more of the following options; except that a county ~~which that~~ has adopted the auditor-administrator plan may not provide for the appointment of the auditor or the consolidation of the offices of auditor and treasurer while the auditor-administrator plan is in force:

(a) (1) provide for the appointment of one or more of the following offices if they have not been abolished by the adoption of other options: county auditor, county treasurer, ~~sheriff~~ coroner, or county recorder;

(b) (2) provide for the office of county civil counsel;

(c) (3) consolidation of the offices of county auditor and treasurer; and

(4) provide for the appointment of the office of sheriff.

Sec. 2. Minnesota Statutes 1992, section 375A.12, subdivision 2, is amended to read:

Subd. 2. [FORM OF GOVERNMENT OPTIONS.] (a) The options provided in sections 375A.01 to 375A.10 ~~shall~~, except the option provided by section 375A.10, subdivision 2, clause (1), may be adopted in any county only after an affirmative vote of the voters in the county on the question of the adoption of the option. Except as provided in section 375A.01, only one such plan may be submitted at any one election.

(b) The option provided by section 375A.10, subdivision 2, clause (4), may be exercised at any time after the affirmative vote of the voters in the county on the question of the adoption of the option as provided in this section.

(c) The option provided by section 375A.10, subdivision 2, clause (1), may be exercised by the county board without an affirmative vote of the voters in the county at any time there is a vacancy in any of the offices named in section 375A.10, subdivision 2, clause (1), provided that the vacancy occurs prior to March 1 in a year in which the term of office would expire. The county board shall publish its intention to make an office enumerated in section 375A.10, subdivision 2, clause (1), appointive once each week for three consecutive weeks in the official newspaper of the county before making an appointment and may proceed with the appointment without a referendum unless a petition signed by at least ten percent of the registered voters of the county voting in the last general election, requesting a referendum on the question of making the office appointive, is presented to the county board within 90 days after the date of the last published notice of the intent to make the office appointive. If a petition is presented to the county board, a referendum must be held as provided in this section. This paragraph supersedes a contrary provision of another general or special law or county charter provision.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act to counties; providing for the filling by appointment of certain offices in counties previously elective; providing for conforming changes; amending Minnesota Statutes 1992, sections 375A.10, subdivision 2; and 375A.12, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 2651, A bill for an act relating to the state board of investment; management of funds under the board's control; amending Minnesota Statutes 1992, sections 11A.17, subdivisions 1, 4, 9, 10a, and 14; 11A.18, subdivision 9; 11A.24, subdivisions 3, 5, and 6; 353D.05, subdivision 2; and 354B.07, subdivision 2; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 352D.04, subdivision 1; and 354B.05, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"ARTICLE 1

STATE BOARD OF INVESTMENT PROVISIONS"

Page 7, line 12, after "or" insert "in" and after the second "obligations" insert "that are"

Page 7, line 13, after "categories" insert "as provided in paragraph (a), clause (2),"

Page 7, lines 18 and 20, delete "clause" and insert "paragraph"

Page 12, after line 13, insert:

"Sec. 13. Minnesota Statutes 1993 Supplement, section 352D.09, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATIVE CHARGE DEDUCTIONS.] Any administrative charges deducted under subdivision 7 that were in excess of the administrative expenses between July 1, 1973, and June 30, 1992, together with any investment gains or losses based on fiscal year balances, must be recovered from the state employees retirement plan and held in the unclassified plan to pay future administrative expenses. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, on contributions and investment returns attributable to contributions made before July 1, 1992, must be credited back to the participants in the unclassified plan. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, that exceed an amount equal to one-twelfth of an annual charge equal to one-tenth of one percent of the assets in each account will be credited back to the participants."

Page 15, after line 13, insert:

"Sec. 17. [REQUIREMENT FOR PROVISION OF CERTAIN INFORMATION.]

The executive director of the state board of investment shall report to the legislative commission on pensions and retirement during fiscal year 1995 on any investments that it made under Minnesota Statutes, section 11A.24, subdivision 3, paragraph (b). The report must be made in conjunction with the regular annual report of the state board of investment."

Page 15, line 16, after "sections" insert "in this article"

Renumber the sections in sequence in article 1 and correct internal references

Page 15, after line 16, insert:

"ARTICLE 2

LIMIT ON INVESTMENT AUTHORITY FOR OTHER PUBLIC PENSION PLANS

Section 1. Minnesota Statutes 1993 Supplement, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. [LOCAL POLICE AND PAID FIRE RELIEF ASSOCIATION INVESTMENT AUTHORITY.] The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio

investments of the investment companies comply with the type of securities authorized for investment by under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4. Securities held by the association before June 2, 1989, that do not meet the requirements of this subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 2. Minnesota Statutes 1993 Supplement, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4. Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 3. Minnesota Statutes 1992, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.

Sec. 4. Minnesota Statutes 1992, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [MINNEAPOLIS EMPLOYEES RETIREMENT FUND INVESTMENT AUTHORITY.] (a) For investments made on or after July 1, 1991, the board shall invest funds only in investments authorized by Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.

(b) However, in addition to real estate investments authorized by section 11A.24 under paragraph (a), the board may also make loans to purchasers of Minnesota situs nonfarm residential real estate that is owned by the Minneapolis employees retirement fund. The loans must be secured by mortgages or deeds of trust.

~~(b)~~ (c) For investments made before July 1, 1991, the board may, but is not required to, comply with section 11A.24 paragraph (a). However, with respect to these investments, the board shall act in accordance with subdivision 2a and chapter 356A.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994.

ARTICLE 3

INVESTMENT INFORMATION REPORT

Section 1. [356.219] [DISCLOSURE OF ADDITIONAL PUBLIC PENSION PLAN INVESTMENT INFORMATION.]

Subdivision 1. [REPORT REQUIRED.] The state board of investment on behalf of the public pension funds and programs for which it is the investment authority and any Minnesota public pension plan not wholly invested through the state board of investments, including a local police or firefighters' relief association governed by section 69.77 or sections 69.771 to 69.775, shall report the information specified in subdivision 2 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

Subd. 2. [CONTENT AND TIMING OF REPORTS.] (a) The following information shall be included in the report required by subdivision 1:

- (1) the market value of all investments at the close of the reporting period;
- (2) regular payroll-based contributions to the fund;
- (3) other contributions and revenue paid into the fund, including, but not limited to, state or local non-payroll-based contributions, repaid refunds, and buybacks;
- (4) total benefits paid to members;
- (5) fees paid for investment management services;
- (6) salaries and other administrative expenses paid; and
- (7) total return on investment.

The report must also include a written statement of the investment policy in effect on June 30, 1988, and any investment policy changes made subsequently and shall include the effective date of each policy change. The information required under this subdivision must be reported separately for each investment account or investment portfolio included in the pension fund.

(b) The information specified in paragraph (a) must be provided separately for each quarter for the fiscal years of the pension fund ending during calendar years 1989 through 1991 and on a monthly basis thereafter. The required information through fiscal year 1993 must be submitted to the state auditor on or before October 1, 1994, and subsequently within six months of the end of each fiscal year.

Subd. 3. [PENALTY FOR NONCOMPLIANCE.] Failure to comply with the reporting requirements of this section shall result in a withholding of all state aid to which the pension plan may otherwise be entitled. The state auditor shall instruct the commissioners of revenue and finance to withhold state aid from any pension plan that fails to comply with the reporting requirements contained in this section.

Subd. 4. [INVESTMENT DISCLOSURE REPORT.] Using the information provided under subdivision 2, the state auditor shall prepare an annual report to the legislature on the components of investment performance resulting from stages in the investment decision-making process of various public pension plans subject to this section. The state auditor may contract with a qualified consultant or consulting firm to perform the analysis and prepare the report required under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment; requiring disclosure of certain investment information;"

Page 1, line 6, delete the second "and"

Page 1, line 7, after the semicolon, insert "356A.06, subdivision 7; and 422A.05, subdivision 2c;"

Page 1, line 8, after the semicolon, insert "69.77, subdivision 2g; 69.775;"

Page 1, line 9, after the semicolon, insert "352D.09, subdivision 8;" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 356"

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. 2731, A bill for an act relating to game and fish; modifying size limits for walleye; amending Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to game and fish; repealing Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 2775, A bill for an act relating to motor vehicles; emission control inspections; requiring contractors operating public inspection stations to make available the opportunity to renew motor vehicle registrations and obtain plates or tabs at inspection stations; amending Minnesota Statutes 1992, section 116.62, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 168.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116.61, subdivision 2, is amended to read:

Subd. 2. [EXEMPT VEHICLES.] The following motor vehicles are exempt from the requirements of this section:

(1) a motor vehicle manufactured before the 1976 model year or with an engine manufactured before the 1976 model year;

- (2) a motor vehicle registered as classic, pioneer, collector, or street rod under section 168.10;
- (3) a motor vehicle that is exempted in accordance with rules of the agency because the vehicle, although registered to an owner residing in the metropolitan area, is customarily domiciled outside of the metropolitan area; and
- (4) any class of motor vehicle that is exempted by rule of the agency because the vehicles present prohibitive inspection problems or are inappropriate for inspection; and
- (5) a motor vehicle that has not reached its sixth year of vehicle life.

Sec. 2. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [YOUTH CHARTER CARRIER.] "Youth charter carrier" means a charter carrier who primarily transports, in passenger vehicles seating not more than 15 persons in addition to the driver, students enrolled in public or private elementary or secondary schools or children under school age, but who provides service under contract to a school or school district only during the months of June through August.

Sec. 3. Minnesota Statutes 1993 Supplement, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits; and
- (11) youth charter carrier permits.

Sec. 4. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [YOUTH CHARTER CARRIER.] (a) A person who desires to hold out or operate as a youth charter carrier shall follow the procedures established in subdivision 1, paragraph (a), other than the requirement for filing letters of support, and specifically request a youth charter carrier permit. The board shall issue the permit upon compliance with the laws and rules relating to it, if the board finds that the petitioner is fit and able to conduct the proposed operations and that the petitioner's vehicles meet the applicable rules of the commissioner prescribed under section 221.031.

(b) Nothing in this subdivision requires a holder of a charter carrier permit to obtain a permit under this subdivision to provide the service described in section 221.011, subdivision 46.

Sec. 5. [MOTOR VEHICLE REGISTRATION STUDY.]

Subdivision 1. [STUDY REQUIRED.] The commissioner of the pollution control agency, in cooperation with the commissioner of public safety, shall conduct a study of the feasibility and desirability of accepting applications for motor vehicle registration at a motor vehicle emissions inspection station. The study shall include:

(1) the effect of the proposal on an ability of the inspection station to perform emissions inspections, and on the effectiveness of the overall emissions inspection program;

(2) changes in the design and configuration of an inspection station needed to accommodate the acceptance of registration applications;

(3) the effect of the proposal on the efficiency and effectiveness of the motor vehicle registration system;

(4) the effect of the proposal on existing deputy registrar offices;

(5) the costs to the pollution control agency, the department of public safety, and the station operator in implementing the proposal;

(6) the appropriate fee to be charged for motor vehicle applications at the inspection station and the appropriate allocation of these fees; and

(7) the effects of the proposal from the standpoint of motor vehicle owners.

(b) The study shall focus on the inspection station located in White Bear Lake as a prototype for testing and evaluation of the motor vehicle registration system being studied.

(c) The commissioners shall report to the legislature on the results of the study not later than March 1, 1995. The report must include the commissioners' recommendations as to whether such a system should be implemented and the extent and timing of any implementation. If implementation of the recommendations requires legislation the study must include a draft of the necessary legislation.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated from the general fund and \$..... is appropriated from the highway user tax distribution fund to the commissioner of the pollution control agency for the purposes of section 5. This appropriation is available until March 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995. Sections 2 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act to motor vehicles; exempting vehicles in the first five years of vehicle life from emissions inspection requirement; requiring a study of motor vehicle registration at emissions inspection stations; authorizing issuance of youth charter carrier permits; appropriating money; amending Minnesota Statutes 1992, sections 116.61, subdivision 2; 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111."

With the recommendation that when so amended the bill pass.

The report was adopted.

Brown, C., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2866, A bill for an act relating to coroners; providing for exemption from educational requirements in certain circumstances; amending Minnesota Statutes 1992, section 390.005, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 390.005, subdivision 3, is amended to read:

Subd. 3. [EDUCATIONAL REQUIREMENTS.] A coroner must have successfully completed academic courses in pharmacology, surgery, pathology, toxicology, and physiology. However, if a board of county commissioners determines that the office of coroner shall not be elective and it cannot appoint any person meeting the educational qualifications as coroner, the board may:

(1) appoint any qualified person, whether or not a resident of the county ~~or not; or~~

(2) if no person meeting the above-mentioned qualifications can be found, the county may appoint a person who is serving or has served as a deputy coroner, whether or not a resident of the county.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 2961, A bill for an act relating to employment; establishing the Minnesota youth program; repealing the wage subsidy program; amending Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1992, sections 268.551; and 268.552; Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700.

Reported the same back with the following amendments:

Page 3, delete lines 13 to 16

Page 3, delete lines 25 and 26

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 3012, A bill for an act relating to transportation; establishing and providing for appointments to an advisory council on major transportation projects; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [YOUTH CHARTER CARRIER.] "Youth charter carrier" means a charter carrier who primarily transports, in passenger vehicles seating not more than 15 persons in addition to the driver, students enrolled in public or private elementary or secondary schools or children under school age, but who provides service under contract to a school or school district only during the months of June through August.

Sec. 2. Minnesota Statutes 1993 Supplement, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits; and
- (11) youth charter carrier permits.

Sec. 3. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [YOUTH CHARTER CARRIER.] (a) A person who desires to hold out or operate as a youth charter carrier shall follow the procedures established in subdivision 1, paragraph (a), other than the requirement for filing letters of support, and specifically request a youth charter carrier permit. The board shall issue the permit upon compliance with the laws and rules relating to it, if the board finds that the petitioner is fit and able to conduct the proposed operations and that the petitioner's vehicles meet the applicable rules of the commissioner prescribed under section 221.031.

(b) Nothing in this subdivision requires a holder of a charter carrier permit to obtain a permit under this subdivision to provide the service described in section 221.011, subdivision 46.

Sec. 4. [STUDY COMMITTEE ON MAJOR TRANSPORTATION PROJECTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council is established to provide a forum at the state level for education, discussion, and advice to the legislature on the financing of major transportation projects.

Subd. 2. [AUTHORITY; DUTIES.] The advisory council shall:

- (1) identify significant highway and transit projects that could not be funded within the current transportation funding structure;
- (2) evaluate methods for funding the identified projects;
- (3) receive public testimony and consult with governmental units; and
- (4) submit to the legislature a report and recommendations for a preferred plan to finance significant highway and transit projects by February 1, 1995.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and three members of the house of representatives appointed by the speaker; and

(2) nine public members who are residents of the state: two appointed by the subcommittee on committees of the committee on rules and administration of the senate; two appointed by the speaker of the house of representatives; and five appointed by the governor, at least two of whom must reside outside the metropolitan area.

The appointing authorities must consult with each other to assure that no more than eight members of the advisory council are of the same gender.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff and the commissioner of transportation shall provide administrative and staff assistance when requested by the advisory council.

Subd. 6. [EXPENSES.] The commissioner of transportation shall compensate the members of the advisory council from the highway program administration account in the trunk highway fund. Public members are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the commissioner of transportation.

Subd. 7. [EXPIRATION.] This section expires February 1, 1995.

Sec. 5. [STUDY COMMITTEE ON STATEWIDE PARATRANSIT.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council is established to provide a forum at the state level for education, discussion, investigation, evaluation, and advice to the legislature on the viability and need for a statewide paratransit commission.

Subd. 2. [AUTHORITY; DUTIES.] The advisory council shall identify, evaluate, and make findings regarding:

(1) current compliance with the federal Americans with Disabilities Act in providing paratransit service;

(2) the need for and needs of a statewide paratransit system; and

(3) the viability and need for establishing a statewide paratransit commission.

The advisory council shall submit to the legislature a report and recommendations on a statewide paratransit commission and system by February 1, 1995.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 19 members who serve at the pleasure of the appointing authority as follows:

(1) four legislators; two members of the senate appointed by the subcommittee on committees of the committee on rules and administration, no more than one member from the majority political party, and two members of the house of representatives appointed by the speaker, no more than one member from the majority political party;

(2) a member of the metropolitan council, appointed by the chair of the metropolitan council;

(3) a representative from the office of transit of the department of transportation, appointed by the commissioner of transportation;

(4) the member of the regional transit board who is a representative for persons with disabilities; and

(5) six public members appointed by the governor, consisting of:

(i) two consumers of paratransit service who are senior citizens, one from the metropolitan area and one from outside the metropolitan area;

(ii) two consumers of paratransit service who are persons with disabilities, one from the metropolitan area and one from outside the metropolitan area; and

(iii) two paratransit service providers, one from the metropolitan area and one from outside the metropolitan area.

Subd. 4. [CHAIR.] The governor shall designate one of the consumers of paratransit service to serve as the chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff and the commissioner of transportation shall provide administrative and staff assistance when requested by the advisory council.

Subd. 6. [EXPENSES.] The commissioner of transportation shall compensate the members of the advisory council. The council members who are not legislators are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the commissioner of transportation.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of transportation for the purposes of section 5. This appropriation is available until February 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; defining youth charter carriers and authorizing transportation regulation board to issue youth charter carrier permits; establishing and providing for appointments to an advisory council on major transportation projects and a study committee on statewide paratransit; appropriating money; amending Minnesota Statutes 1992, sections 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 3032, A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.061, subdivision 1; 97A.071, subdivision 3, and by adding subdivisions; 97A.075, subdivisions 2, 3, and 4; 97A.165; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.061, subdivision 3; 97A.071, subdivision 2; and 97A.475, subdivision 12; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 97A.055, subdivision 4, is amended to read:

Subd. 4. [ANNUAL REPORT REPORTS.] (a) By November 15 each year, the commissioner shall report submit to the legislative committees having jurisdiction over appropriations and the environment and natural resources reports on each of the following:

(1) the amount of revenue from the following and purposes for which expenditures were made:

- (i) ~~the fishing license surcharge under section 97A.475, subdivision 9;~~
- (ii) the small game license surcharge under section 97A.475, subdivision 4;
- ~~(iii)~~ (ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);
- ~~(iv)~~ (iii) the trout and salmon stamp under section 97A.475, subdivision 10; and
- ~~(v)~~ (iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); and

(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent; and

(3) money credited to the game and fish fund under section 97A.055 and purposes for which expenditures were made from the fund.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and ~~surcharges~~ surcharge referenced in paragraph (a).

Sec. 2. Minnesota Statutes 1992, section 97A.055, is amended by adding a subdivision to read:

Subd. 4a. [CITIZEN OVERSIGHT COMMITTEES.] (a) The commissioner shall appoint committees of affected persons to review the reports prepared under subdivision 4 and other relevant information and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund, specifically including money derived from the sale of pheasant, migratory waterfowl, and trout and salmon stamps and small game and fishing surcharges. Each committee shall elect a chair from among its members.

(b) The commissioner shall appoint the following committees:

(1) a committee to review the annual game and fish fund report and address general game and fish fund issues;

(2) a committee to address funding issues related to fishing;

(3) a committee to review the report on the small game license surcharge and the report required in section 97A.055, subdivision 4, paragraph (a), clause (2), and address funding issues related to hunting;

(4) a committee to review the trout and salmon stamp report and address funding issues related to trout and salmon;

(5) a committee to review the report on the migratory waterfowl stamp and address funding issues related to migratory waterfowl; and

(6) a committee to review the report on the pheasant stamp and address funding issues related to pheasants.

Sec. 3. Minnesota Statutes 1993 Supplement, section 97A.071, subdivision 2, is amended to read:

Subd. 2. [REVENUE FROM THE SMALL GAME LICENSE SURCHARGE.] Revenue from the small game surcharge shall be credited to the wildlife acquisition account and the money in the account shall be used by the commissioner only for the purposes of this section, and acquisition and development of wildlife lands under section 97A.145 and maintenance of the lands, in accordance with appropriations made by the legislature.

Sec. 4. Minnesota Statutes 1992, section 97A.071, is amended by adding a subdivision to read:

Subd. 2a. [USE OF WILDLIFE ACQUISITION ACCOUNT MONEY.] Of the money annually appropriated and available from the wildlife acquisition account:

(1) at least 60 percent must be used for land costs; and

(2) the remainder may only be used for other land acquisition costs, development, and maintenance of wildlife lands, and activities under subdivision 3.

Sec. 5. Minnesota Statutes 1992, section 97A.071, subdivision 3, is amended to read:

Subd. 3. ~~[USE OF WILDLIFE ACQUISITION ACCOUNT MONEY WATERFOWL BREEDING GROUNDS IN CANADA.]~~ The wildlife acquisition account may be used for developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit the migration of waterfowl into the state.

Sec. 6. Minnesota Statutes 1992, section 97A.071, is amended by adding a subdivision to read:

Subd. 5. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Development" means fencing, signing, and onsite improvement of the land that is related to the purposes for which the land was acquired. Development includes material or equipment that is purchased or rented and labor that is necessary to provide for the onsite improvement of the land.

(c) "Land costs" means the purchase price of land acquired by the commissioner under section 97A.145.

(d) "Maintenance" means noxious weed control and other onsite functions performed on a regular basis to sustain the environmental conditions that result from the original improvement of the land.

(e) "Other acquisition costs" means acquisition coordination costs, costs of engineering services, appraisal fees, attorney fees, taxes, assessments required at the time of purchase, and recording fees for land acquired by the commissioner under section 97A.145.

Sec. 7. Minnesota Statutes 1992, section 97A.075, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] ~~The commissioner may use~~ (a) At least 90 percent of the revenue from the Minnesota migratory waterfowl stamps must be credited to the waterfowl habitat improvement account. Money in the account may be used only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat; and

(4) acquisition of and access to structure sites; and

~~(5) necessary related administrative costs not to exceed ten percent of the annual revenue.~~

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), or (4), or to specific management activities under paragraph (a), clause (2).

Sec. 8. Minnesota Statutes 1992, section 97A.075, subdivision 3, is amended to read:

Subd. 3. [TROUT AND SALMON STAMP.]

~~The commissioner may use~~ (a) At least 90 percent of the revenue from trout and salmon stamps must be credited to the trout and salmon management account. Money in the account may be used only for:

- (1) the development, restoration, maintenance, and preservation of trout streams and lakes; and
- (2) rearing and stocking of trout and salmon in trout streams and lakes and Lake Superior; and
- ~~(3) necessary related administrative costs not to exceed ten percent of the annual revenue.~~

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a) or to specific fish rearing activities under paragraph (a), clause (2).

Sec. 9. Minnesota Statutes 1992, section 97A.075, subdivision 4, is amended to read:

Subd. 4. [PHEASANT STAMP.] ~~The commissioner may use (a) At least 90 percent of the revenue from pheasant stamps must be credited to the pheasant habitat improvement account. Money in the account may be used only for:~~

- (1) the development, restoration, and maintenance, ~~and preservation~~ of suitable habitat for ringnecked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources;
- (2) reimbursement of landowners for setting aside lands for pheasant habitat;
- (3) reimbursement of expenditures to provide pheasant habitat on public and private land; and
- (4) the promotion of pheasant habitat development; and maintenance, ~~and preservation~~; and
- ~~(5) necessary related administrative and personnel costs not to exceed ten percent of the annual revenue including promotion and evaluation of government farm program benefits for pheasant habitat.~~

(b) Money in the account may not be used for:

(1) costs unless they are directly related to a specific parcel of land under paragraph (a), clauses (1) to (3), or to specific promotional or evaluative activities under paragraph (a), clause (4); or

(2) any personnel costs.

Sec. 10. Minnesota Statutes 1992, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, for persons under age 65, ~~\$10.50~~ \$13;
- (2) to take fish by angling, for persons age 65 and over, \$4.50;
- (3) to take fish by angling, for a combined license for a married couple, ~~\$15~~ \$17.50;
- (4) to take fish by spearing from a dark house, \$13; and
- (5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$5~~ \$7.50.

Sec. 11. Minnesota Statutes 1992, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$25~~ \$27.50;
- (2) to take fish by angling limited to seven consecutive days, ~~\$16.50~~ \$19;
- (3) to take fish by angling for three consecutive days, ~~\$13.50~~ \$16;
- (4) to take fish by angling for a combined license for a family, ~~\$35~~ \$37.50;

(5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$5~~ \$7.50; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, ~~\$25~~ \$27.50.

Sec. 12. Minnesota Statutes 1992, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

(1) for an individual, ~~\$15~~ \$17.50; and

(2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$21.50~~ \$24.

Sec. 13. Minnesota Statutes 1993 Supplement, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] Fees for fish house licenses for a nonresident are:

(1) annual, ~~\$25~~ \$27.50; and

(2) seven consecutive days, ~~\$14~~ \$16.50.

Sec. 14. Minnesota Statutes 1992, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$5.50~~ \$8.

Sec. 15. Minnesota Statutes 1993 Supplement, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sporting, the issuing fee is \$1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

~~(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose. An auditor or subagent may not provide postage stamps or pre-addressed~~

~~envelopes for obtaining the refund. An auditor or subagent must provide information on the purposes for which license receipts are spent and the effects of applying for a refund.~~

(g) For duplicate licenses, the issuing fees are:

- (1) for licenses to take big game, 75 cents; and
- (2) for other licenses, 50 cents.

Sec. 16. Minnesota Statutes 1992, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding:

- (1) the small game surcharge ~~and issuing fees;~~
- (2) ~~the fishing surcharge and all~~ issuing fees;
- (3) \$2.50 of the license fee for the licenses in section 97A.475, subdivisions 6, clauses (1), (3), and (5), 7, 8, 12, and 13;
and
- (4) the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 17. [FISHING LICENSE REVENUES.]

For the 1996-1997 biennium, the additional \$2.50 added to the licenses in sections 10 to 16 of this act may only be used in the section of fisheries for fisheries purposes and in the division of enforcement for enforcement of laws related to fish. Expenditures must be focused on individual lake management, habitat preservation and improvement, and education. Personnel costs must be limited to on-site work.

Sec. 18. [APPROPRIATIONS; REDUCTIONS.]

(a) The following appropriations for fiscal year 1995 made in Laws 1993, chapter 172, section 5, subdivision 7, are from the general fund rather than the game and fish fund:

- (1) \$120,000 for ditch assessments; and
- (2) \$322,000 for development work performed by participants in youth programs.

(b) The following appropriations for fiscal year 1995 made in Laws 1993, chapter 172, section 5, subdivision 7, are reduced by the amounts indicated:

- (1) the appropriation from the waterfowl habitat improvement account is reduced by \$49,000;
- (2) the appropriation from the trout stream management account is reduced by \$53,000; and
- (3) the appropriation from the pheasant habitat improvement account is reduced by \$60,000.

(c) \$200,000 is appropriated from the wildlife acquisition account to the commissioner of natural resources for only the purposes specified in Minnesota Statutes, section 97A.071. This appropriation is available until June 30, 1995.

Sec. 19. [TRANSFER.]

On June 30, 1995, the commissioner of finance shall transfer and credit to the game and fish fund any remaining balance in the fish management intensification account.

Sec. 20. [REPEALER.]

(a) Minnesota Statutes 1992, sections 97A.071, subdivision 4; and 103E.615, subdivision 6, are repealed.

(b) Minnesota Statutes 1992, section 97A.475, subdivision 9, is repealed.

(c) Minnesota Statutes 1992, section 97A.065, subdivision 3, is repealed.

Sec. 21. [EFFECTIVE DATES.]

Sections 10 to 16 and 20, paragraph (b), are effective March 1, 1995.

Section 20, paragraph (c), is effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; abolishing the angling license refund for senior citizens; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.071, subdivision 3, and by adding subdivisions; 97A.075, subdivisions 2, 3, and 4; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.071, subdivision 2; 97A.475, subdivision 12; and 97A.485, subdivision 6; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, subdivision 6."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 3120, A bill for an act relating to military affairs; expediting payment to forces ordered to active duty; amending Minnesota Statutes 1992, section 192.52.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 3136, A bill for an act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

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

The report was adopted.

Brown, C., from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 2070, A bill for an act relating to cities; allowing home rule charter cities to apply law applicable to statutory cities in instances in which the charter is silent, with certain restrictions; proposing coding for new law in Minnesota Statutes, chapter 410.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Lieder from the Committee on General Legislation, Veterans Affairs and Elections reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

VANNE OWENS HAYES

Reported the same back with the recommendation that the appointment be confirmed.

Lieder moved that the report of the Committee on General Legislation, Veterans Affairs and Elections relating to the appointment of Vanne Owens Hayes to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Lieder moved that the House, having advised, do now consent to and confirm the appointment of Vanne Owens Hayes, 4253 - 27th Avenue South, Minneapolis, Minnesota, 55406, county of Hennepin, effective March 9, 1994, for a four-year term expiring on the first Monday in January, 1998. The motion prevailed and the appointment of Vanne Owens Hayes was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 881, 2115, 2170, 2254, 2287, 2603, 2645, 2651, 2731, 2775, 2866, 3120 and 3136 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1483, 1662, 1959, 2011, 2135, 2255, 2246, 2262, 2345, 2422, 2462, 2464, 2491, 2503, 2572, 2579, 2582, 2598, 2671, 2710 and 2070 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Ozment introduced:

H. F. No. 3198, A bill for an act relating to taxation; property; metropolitan agricultural preserves; clarifying deferred special assessments when property is transferred from the green acres program; providing for re-enrolling property in the metropolitan agricultural preserve program; amending Minnesota Statutes 1992, sections 273.111, subdivision 11; 473H.05, by adding a subdivision; and 473H.18.

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

Jaros introduced:

H. F. No. 3199, A bill for an act relating to taxation; sales and use; exempting residential electricity; amending Minnesota Statutes 1992, section 297A.25, subdivision 23.

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:

Mr. Speaker:

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

H. F. No. 2622, A bill for an act relating to state lands; authorizing the department of natural resources to sell certain state land in the counties of Itasca and St. Louis.

H. F. No. 2692, A bill for an act relating to state lands; authorizing private sale of certain state land in Crow Wing county to resolve an encroachment situation.

H. F. No. 2309, A bill for an act relating to highways; changing highway description; amending Minnesota Statutes 1992, section 161.115, subdivision 224.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1186, A bill for an act relating to the environment; adding cross references for existing civil penalties for littering; amending Minnesota Statutes 1992, sections 85.20, subdivision 6; 115A.99; 169.421; 375.18, subdivision 14; and 412.221, subdivision 22.

H. F. No. 2330, A bill for an act relating to Anoka county; authorizing county to sell tax-forfeited land by sealed bid.

H. F. No. 2086, A bill for an act relating to local government; abandoning judicial ditch number 37 in Redwood and Lyon counties.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1913, A bill for an act relating to retirement; St. Paul police consolidation account; authorizing the payment of refunds to the estates of certain deceased police officers.

H. F. No. 1881, A bill for an act relating to the city of Red Wing; authorizing certain police officers to elect retirement coverage by the public employees police and fire fund.

H. F. No. 2314, A bill for an act relating to waste reduction; amending various statutes to be consistent with recent law relating to distribution of reports and materials to legislators; amending Minnesota Statutes 1992, sections 144.672, subdivision 2; 144.70, subdivision 1; 458A.08; and 473.445, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2016, A bill for an act relating to commerce; regulating mortgage payment services; requiring a bond or other security; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332.

The Senate has appointed as such committee:

Messrs. Solon, Larson and Ms. Wiener.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1934, A bill for an act relating to corporations; modifying provisions for the organization and operation of business corporations; amending Minnesota Statutes 1992, sections 302A.135, subdivision 4; 302A.405, subdivision 1; 302A.471, subdivision 1; 302A.661, subdivision 1; 302A.725, subdivision 3; and 302A.751, subdivisions 1, 2, and 3a; Minnesota Statutes 1993 Supplement, sections 302A.401, subdivision 1; 302A.435, subdivision 1; and 302A.673, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 1934 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1934, A bill for an act relating to corporations; modifying provisions for the organization and operation of business corporations; amending Minnesota Statutes 1992, sections 302A.135, subdivision 4; 302A.405, subdivision 1; 302A.471, subdivision 1; 302A.661, subdivision 1; 302A.725, subdivision 3; and 302A.751, subdivisions 1, 2, and 3a; Minnesota Statutes 1993 Supplement, sections 302A.401, subdivision 1; 302A.435, subdivision 1; and 302A.673, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Peterson	Tompkins
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Pugh	Trimble
Asch	Delmont	Huntley	Lasley	Murphy	Reding	Tunheim
Battaglia	Dempsey	Jacobs	Leppik	Neary	Rest	Van Dellen
Bauerly	Dorn	Jaros	Lieder	Nelson	Rhodes	Van Engen
Beard	Erhardt	Jefferson	Limmer	Ness	Rodosovich	Vellenga
Bergson	Evans	Jennings	Lindner	Olson, E.	Rukavina	Vickerman
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Sarna	Wagenius
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Seagren	Waltman
Bishop	Garcia	Johnson, V.	Luther	Ornen	Sekhon	Weaver
Brown, C.	Girard	Kahn	Lynch	Opatz	Simoneau	Wejcmann
Brown, K.	Goodno	Kalis	Macklin	Orfield	Skoglund	Wenzel
Carlson	Greenfield	Kelley	Mahon	Osthoff	Smith	Winter
Carruthers	Greiling	Kelso	Mariani	Ostrom	Solberg	Wolf
Clark	Gruenes	Kinkel	McCollum	Ozment	Stanis	Worke
Commers	Gutknecht	Klinzing	McGuire	Pauly	Steensma	Workman
Cooper	Hasskamp	Knickerbocker	Milbert	Pawlenty	Swiggum	Spk. Anderson, I.
Dauner	Haukoos	Knight	Molnau	Pelowski	Swenson	
Davids	Hausman	Koppendraye	Morrison	Perlt	Tomassoni	

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

Mr. Speaker:

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

H. F. No. 2187, A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Koppendraye moved that the House concur in the Senate amendments to H. F. No. 2187 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2187, A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Murphy	Reding	Trimble
Anderson, R.	Dehler	Hugoson	Lasley	Neary	Rest	Tunheim
Asch	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Dellen
Battaglia	Dempsey	Jacobs	Lieder	Ness	Rice	Van Engen
Bauerly	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vellenga
Beard	Erhardt	Jennings	Lindner	Olson, K.	Rukavina	Vickerman
Bergson	Evans	Johnson, A.	Long	Olson, M.	Sarna	Wagenius
Bertram	Finseth	Johnson, R.	Lourey	Onnen	Seagren	Waltman
Bettermann	Frerichs	Johnson, V.	Luther	Opatz	Sekhon	Weaver
Bishop	Garcia	Kahn	Lynch	Orenstein	Simoneau	Wejzman
Brown, C.	Girard	Kalis	Macklin	Osthoft	Skoglund	Wenzel
Brown, K.	Goodno	Kelley	Mahon	Ostrom	Smith	Winter
Carlson	Greenfield	Kelso	McCollum	Ozment	Solberg	Wolf
Carruthers	Greiling	Kinkel	McGuire	Pauly	Stanius	Worke
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Steensma	Workman
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knight	Morrison	Perlt	Swenson	
Dauner	Haukoos	Koppendraye	Mosel	Peterson	Tomassoni	
Davids	Hausman	Krinkie	Munger	Pugh	Tompkins	

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

Mr. Speaker:

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

H. F. No. 1914, A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jennings moved that the House refuse to concur in the Senate amendments to H. F. No. 1914, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2260, A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; imposing a penalty for displaying invalid driver's license as being valid; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

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

Mses. Johnston, Lesewski and Mr. Vickerman.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

McCollum moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2260. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1899, 2476, 2277, 2672 and 1774.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2267, 1825, 1793, 2588 and 1706.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1899, A bill for an act relating to the city of Eagan; providing for the establishment of a special service district.

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

S. F. No. 2476, A bill for an act relating to local government; authorizing establishment of Nashwauk area ambulance district.

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

S. F. No. 2277, A bill for an act relating to metropolitan waste control commission; authorizing the commission to enter into agreements to implement total watershed management; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time.

Sekhon moved that S. F. No. 2277 and H. F. No. 2638, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2672, A bill for an act relating to coroners; providing for exemption from educational requirements in certain circumstances; amending Minnesota Statutes 1992, section 390.005, subdivision 3.

The bill was read for the first time.

Swiggum moved that S. F. No. 2672 and H. F. No. 2866, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1774, A bill for an act relating to traffic regulations; permitting white strobe lights on rural mail carrier vehicles; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.64, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.64, subdivision 3.

The bill was read for the first time.

Ozment moved that S. F. No. 1774 and H. F. No. 2254, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2267, A bill for an act relating to real estate; authorizing title insurance companies governed by chapter 68A, or their appointed agents to execute certificates of release of mortgages; proposing coding for new law in Minnesota Statutes, chapter 507.

The bill was read for the first time.

Milbert moved that S. F. No. 2267 and H. F. No. 2784, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1825, A bill for an act relating to manufactured homes; restricting the venue for repossession actions to the county in which the manufactured home is located; making technical changes; amending Minnesota Statutes 1992, sections 327.63, subdivision 1; 327.64, subdivision 2; and 327.65.

The bill was read for the first time.

Brown, K., moved that S. F. No. 1825 and H. F. No. 1861, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1793, A bill for an act relating to real property; provided for registration by title in cases of termination of a time-share interest; amending Minnesota Statutes 1992, section 508.58.

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

S. F. No. 2588, A bill for an act relating to public lands; changing notice requirements for sales of tax-forfeited lands; modifying a provision relating to leasing of tax-forfeited lands; amending Minnesota Statutes 1992, section 282.02; and Minnesota Statutes 1993 Supplement, section 282.04, subdivision 1.

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

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

CONSENT CALENDAR

H. F. No. 2094 was reported to the House.

Bauerly moved that H. F. No. 2094 be stricken from the Consent Calendar and be placed at the top of General Orders. The motion prevailed.

H. F. No. 2512, A bill for an act relating to retirement; providing for level benefits for the Minneapolis police relief association; changing the definition of surviving spouses eligible for benefits; amending Minnesota Statutes 1992, sections 353B.11, subdivision 1; and 423B.09, subdivision 1; Minnesota Statutes 1993 Supplement, sections 353B.07, subdivision 3; and 423B.10, 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	Dawkins	Holsten	Krinkie	Mosel	Perlt	Swenson
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Peterson	Tomassoni
Asch	Delmont	Huntley	Lasley	Murphy	Pugh	Tompkins
Battaglia	Dempsey	Jacobs	Leppik	Neary	Reding	Trimble
Bauerly	Dorn	Jaros	Lieder	Nelson	Rest	Tunheim
Beard	Erhardt	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bishop	Garcia	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Brown, C.	Girard	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Sekhon	Weaver
Carlson	Greenfield	Kelley	Mahon	Orfield	Simoneau	Wejzman
Carruthers	Greiling	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Clark	Gruenes	Kinkel	McCollum	Ostrom	Smith	Winter
Commers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Wolf
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Stanis	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Hausman	Koppendraye	Morrison	Pelowski	Sviggum	Spk. Anderson, I.

The bill was passed and its title agreed to.

S. F. No. 1826 was reported to the House.

Kelley moved to amend S. F. No. 1826 as follows:

Page 1, line 18, before the period, insert ", except that the limit on borrowing under section 5 continues in effect notwithstanding section 7 of that act"

The motion prevailed and the amendment was adopted.

S. F. No. 1826, A bill for an act relating to metropolitan government; extending reporting and effective dates for radio systems planning by the metropolitan council; extending the moratorium on applications for 800 megahertz channels.

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 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Koppendraye	Munger	Perlt	Tomassoni
Anderson, R.	Delmont	Hugoson	Krueger	Murphy	Peterson	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Neary	Pugh	Trimble
Bauerly	Dorn	Jacobs	Leppik	Nelson	Reding	Tunheim
Beard	Erhardt	Jaros	Lieder	Ness	Rest	Van Dellen
Bertram	Evans	Jefferson	Limmer	Olson, E.	Rhodes	Van Engen
Bettermann	Finseth	Jennings	Lindner	Olson, K.	Rodosovich	Vellenga
Bishop	Frerichs	Johnson, A.	Long	Olson, M.	Rukavina	Vickerman
Brown, C.	Garcia	Johnson, R.	Lourey	Onnen	Sarna	Wagenius
Brown, K.	Girard	Johnson, V.	Luther	Opatz	Seagren	Waltman
Carlson	Goodno	Kahn	Lynch	Orenstein	Sekhon	Weaver
Carruthers	Greenfield	Kalis	Macklin	Orfield	Simoneau	Wejcman
Clark	Greiling	Kelley	Mahon	Osthoff	Skoglund	Wenzel
Commers	Gruenes	Kelso	Mariani	Ostrom	Smith	Winter
Cooper	Gutknecht	Kinkel	McGuire	Ozment	Solberg	Wolf
Dauner	Hasskamp	Klinzing	Molnau	Pauly	Steensma	Worke
Davids	Haukoos	Knickerbocker	Morrison	Pawlenty	Sviggum	Workman
Dawkins	Hausman	Knight	Mosel	Pelowski	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Asch	Bergson	Krinkie	McCollum	Milbert	Stanisus
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The bill was passed, as amended, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today:

H. F. Nos. 2135, 2522, 3046, 2967, 2666, 2371, 2426 and 2067.

SPECIAL ORDERS

H. F. No. 2139, A bill for an act relating to real estate; regulating trust accounts; clarifying a definition for purposes of licensing real estate appraisers; regulating dual agency disclosure; amending Minnesota Statutes 1992, section 82B.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 82.197, subdivision 3; and 82.24, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Huntley	Lasley	Murphy	Pugh	Tompkins
Anderson, R.	Dehler	Jacobs	Leppik	Neary	Reding	Trimble
Asch	Delmont	Jaros	Lieder	Nelson	Rest	Tunheim
Battaglia	Dempsey	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Bauerly	Dorn	Jennings	Lindner	Olson, E.	Rice	Van Engen
Beard	Erhardt	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bergson	Evans	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bertram	Finseth	Johnson, V.	Luther	Ornen	Sarna	Wagenius
Bettermann	Frerichs	Kahn	Lynch	Opatz	Seagren	Waltman
Bishop	Garcia	Kalis	Macklin	Orenstein	Sekhon	Weaver
Brown, C.	Girard	Kelley	Mahon	Orfield	Simoneau	Wejcmn
Brown, K.	Goodno	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Carlson	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Carruthers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Wolf
Clark	Hasskamp	Knickerbocker	Milbert	Pauly	Stanis	Worke
Commers	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Cooper	Hausman	Koppendrayner	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Dauner	Holsten	Krinkie	Mosel	Perlt	Swenson	
Davids	Hugoson	Krueger	Munger	Peterson	Tomassoni	

The bill was passed and its title agreed to.

H. F. No. 664, A bill for an act relating to education; modifying certain teacher retirement programs to encourage experienced teachers to participate in job sharing; amending Minnesota Statutes 1992, sections 354.66, subdivisions 2 and 4; and 354A.094, subdivisions 3 and 4.

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

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Holsten	Knight	Morrison	Perlt	Steensma
Anderson, R.	Davids	Huntley	Krinkie	Mosel	Peterson	Swenson
Asch	Dawkins	Jacobs	Krueger	Munger	Pugh	Tomassoni
Battaglia	Delmont	Jaros	Lasley	Murphy	Reding	Tompkins
Bauerly	Dempsey	Jefferson	Leppik	Neary	Rest	Tunheim
Beard	Dorn	Jennings	Lieder	Nelson	Rhodes	Vellenga
Bergson	Erhardt	Johnson, A.	Limmer	Olson, E.	Rice	Wagenius
Bertram	Evans	Johnson, R.	Long	Olson, K.	Rodosovich	Waltman
Bishop	Finseth	Johnson, V.	Lourey	Opatz	Rukavina	Weaver
Brown, C.	Garcia	Kahn	Luther	Orenstein	Sarna	Wejcmn
Brown, K.	Goodno	Kalis	Macklin	Orfield	Seagren	Wenzel
Carlson	Greenfield	Kelley	Mahon	Ostrom	Sekhon	Winter
Carruthers	Greiling	Kelso	Mariani	Ozment	Simoneau	Workman
Clark	Gruenes	Kinkel	McCollum	Pauly	Skoglund	Spk. Anderson, I.
Commers	Hasskamp	Klinzing	McGuire	Pawlenty	Smith	
Cooper	Hausman	Knickerbocker	Milbert	Pelowski	Solberg	

Those who voted in the negative were:

Bettermann	Gutknecht	Lindner	Olson, M.	Sviggum	Wolf
Dehler	Haukoos	Lynch	Onnen	Van Dellen	Worke
Frerichs	Hugoson	Molnau	Osthoff	Van Engen	
Girard	Koppendrayner	Ness	Stanis	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 2034, A bill for an act relating to transportation; changing eligibility requirements for distribution of funds from the town road account and town bridge account; amending Minnesota Statutes 1993 Supplement, sections 161.082, subdivision 2a; and 162.081, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Delmont	Huntley	Lasley	Murphy	Pugh	Tompkins
Asch	Dempsey	Jacobs	Leppik	Neary	Reding	Trimble
Battaglia	Dorn	Jaros	Lieder	Nelson	Rest	Tunheim
Bauerly	Erhardt	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bishop	Garcia	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Brown, C.	Girard	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Sekhon	Weaver
Carlson	Greenfield	Kelley	Mahon	Orfield	Simoneau	Wejcman
Carruthers	Greiling	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Clark	Gruenes	Kinkel	McCollum	Ostrom	Smith	Winter
Commers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Wolf
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Stanis	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Hausman	Koppendrayner	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Dawkins	Holsten	Krinkie	Mosel	Perlt	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, K.	Delmont	Greenfield	Jacobs	Kelso	Lieder
Anderson, R.	Carlson	Dempsey	Greiling	Jaros	Kinkel	Limmer
Battaglia	Carruthers	Dorn	Gruenes	Jefferson	Klinzing	Lindner
Bauerly	Clark	Erhardt	Gutknecht	Jennings	Knickerbocker	Long
Beard	Commers	Evans	Hasskamp	Johnson, A.	Knight	Lourey
Bergson	Cooper	Finseth	Haukoos	Johnson, R.	Koppendrayner	Luther
Bertram	Dauner	Frerichs	Hausman	Johnson, V.	Krinkie	Lynch
Bettermann	Davids	Garcia	Holsten	Kahn	Krueger	Macklin
Bishop	Dawkins	Girard	Hugoson	Kalis	Lasley	Mahon
Brown, C.	Dehler	Goodno	Huntley	Kelley	Leppik	Mariani

McGuire	Ness	Ostrom	Rest	Smith	Tunheim	Wenzel
Milbert	Olson, E.	Ozment	Rhodes	Solberg	Van Dellen	Winter
Molnau	Olson, K.	Pauly	Rodosovich	Stanius	Van Engen	Wolf
Morrison	Olson, M.	Pawlenty	Rukavina	Steensma	Vellenga	Worke
Mosel	Onnen	Pelowski	Sarna	Sviggum	Vickerman	Workman
Munger	Opatz	Perit	Seagren	Swenson	Wagenius	Spk. Anderson, I.
Murphy	Orenstein	Peterson	Sekhon	Tomassoni	Waltman	
Neary	Orfield	Pugh	Simoneau	Tompkins	Weaver	
Nelson	Osthoff	Reding	Skoglund	Trimble	Wejcman	

Those who voted in the negative were:

Asch McCollum

The bill was passed and its title agreed to.

H. F. No. 3057 was reported to the House.

Tomassoni moved to amend H. F. No. 3057, the first engrossment, as follows:

Page 1, delete section 1

Renumber the sections in sequence and correct internal references

The motion prevailed and the amendment was adopted.

H. F. No. 3057, A bill for an act relating to cities; authorizing and establishing the Chisholm/Hibbing airport authority.

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 112 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Hugoson	Koppendraye	Morrison	Perit	Tomassoni
Asch	Dehler	Huntley	Krueger	Mosel	Peterson	Tompkins
Battaglia	Delmont	Jacobs	Lasley	Munger	Pugh	Trimble
Bauerly	Dempsey	Jaros	Leppik	Murphy	Reding	Tunheim
Beard	Dorn	Jefferson	Lieder	Neary	Rhodes	Van Engen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Vickerman
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Wagenius
Bettermann	Frerichs	Johnson, R.	Lourey	Opatz	Rukavina	Waltman
Bishop	Garcia	Johnson, V.	Luther	Orenstein	Sarna	Weaver
Brown, K.	Girard	Kahn	Lynch	Orfield	Sekhon	Wejcman
Carlson	Goodno	Kalis	Mahon	Osthoff	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mariani	Ostrom	Solberg	Winter
Clark	Greiling	Kinkel	McCollum	Ozment	Stanius	Wolf
Cooper	Gruenes	Klinzing	McGuire	Pauly	Steensma	Worke
Dauner	Haukoos	Knickerbocker	Milbert	Pawlenty	Sviggum	Workman
Davids	Holsten	Knight	Molnau	Pelowski	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Ness	Rest	Smith
Commers	Kelso	Macklin	Olson, M.	Seagren	Van Dellen
Erhardt	Krinkie	Nelson	Onnen	Skoglund	Vellenga

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

S. F. No. 1692, A bill for an act relating to contracts; creating the public contractors' performance and payment bond act by amending existing provisions; amending Minnesota Statutes 1992, sections 574.26; 574.261; 574.262, subdivision 1; 574.263, by adding a subdivision; 574.264, subdivision 1; 574.27; 574.28; 574.29; 574.30; 574.31; and 574.32.

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	Dawkins	Holsten	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Tompkins
Asch	Delmont	Huntley	Leppik	Neary	Reding	Trimble
Battaglia	Dempsey	Jacobs	Lieder	Nelson	Rest	Tunheim
Bauerly	Dorn	Jaros	Limmer	Ness	Rhodes	Van Dellen
Beard	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Van Engen
Bergson	Evans	Jennings	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Luther	Onnen	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Waltman
Brown, C.	Girard	Kahn	Macklin	Orenstein	Sekhon	Weaver
Brown, K.	Goodno	Kalis	Mahon	Orfield	Simoneau	Wejcman
Carlson	Greenfield	Kelley	Mariani	Osthoff	Skoglund	Wenzel
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Clark	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Stanius	Worke
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Steenstra	Workman
Dauner	Haukoos	Koppendrayner	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Dauids	Hausman	Krinkie	Mosel	Perit	Swenson	

The bill was passed and its title agreed to.

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

REPORTS OF STANDING COMMITTEES

Carlson from the Committee on Education to which was referred:

H. F. No. 2189, A bill for an act relating to education; making technical changes in education programs and policies; amending Minnesota Statutes 1992, sections 124.26, subdivision 1b; 124.95, subdivision 4; and 272.02, subdivision 8; Minnesota Statutes 1993 Supplement, sections 124.155, subdivision 2; 124.226, subdivision 3a; 124.26, subdivision 1c; 124.2714; 124.573, subdivision 2b; 124.91, subdivision 5; 124.95, subdivision 1; 124A.03, subdivision 1c; and 124A.292, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 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:

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

- (2) secondary vocational aid authorized in section 124.573;
 - (3) special education aid authorized in section 124.32;
 - (4) secondary vocational aid for children with a disability authorized in section 124.574;
 - (5) aid for pupils of limited English proficiency authorized in section 124.273;
 - (6) transportation aid authorized in section 124.225;
 - (7) community education programs aid authorized in section 124.2713;
 - (8) adult education aid authorized in section 124.26;
 - (9) early childhood family education aid authorized in section 124.2711;
 - (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
 - (11) ~~secondary vocational cooperative aid according to section 124.575~~ school district cooperation aid authorized in section 124.2727;
 - (12) assurance of mastery aid according to section 124.311;
 - (13) ~~individual learning and development aid according to section 124.331~~;
 - (14) ~~homestead credit under section 273.13 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter~~;
 - (15) ~~agricultural credit under section 273.132 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter~~;
 - (16) homestead and agricultural credit aid and, disparity reduction credit and aid authorized in, transition credit, and changes to credits for prior year adjustments according to section 273.1398, subdivision subdivisions 2, 3, 4, 5, and 7;
 - (17) (14) attached machinery aid authorized in section 273.138, subdivision 3; and
 - (18) (15) 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. 2. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 1, is amended to read:
- Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.
- (a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.
- (b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:
- (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or
 - (2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.
- (c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as ~~one-half~~ .52 of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1994 and 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 3. Minnesota Statutes 1992, section 124.195, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	2.25
Payment 2	July 30:	4.50
Payment 3	August 15:	6.75
<u>the greater of (a) the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 6.75 percent</u>		
Payment 4	August 30:	9.0
Payment 5	September 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent	<u>12.75</u>
Payment 6	September 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent	<u>16.50</u>
Payment 7	October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent	
Payment 8	October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent	
Payment 9	November 15:	31.0
Payment 10	November 30:	37.0
Payment 11	December 15:	40.0
Payment 12	December 30:	43.0
Payment 13	January 15:	47.25
Payment 14	January 30:	51.5
Payment 15	February 15:	56.0
Payment 16	February 28:	60.5
Payment 17	March 15:	65.25
Payment 18	March 30:	70.0
Payment 19	April 15:	73.0
Payment 20	April 30:	79.0
Payment 21	May 15:	82.0
Payment 22	May 30:	90.0
Payment 23	June 20:	100.0

Sec. 4. Minnesota Statutes 1992, section 124.195, is amended by adding a subdivision to read:

Subd. 3b. [CASH FLOW ADJUSTMENT.] During each year in which the cash flow low points for August, September, and October estimated by the commissioner of finance for invested treasurer's cash exceeds \$360,000,000, the commissioner of education shall increase the cumulative disbursement percentages established in subdivision 3 to the following amounts

<u>Payment 3</u>	<u>August 15:</u>	<u>12.75 percent</u>
<u>Payment 4</u>	<u>August 30:</u>	<u>15.00 percent</u>
<u>Payment 5</u>	<u>September 15:</u>	<u>17.25 percent</u>
<u>Payment 6</u>	<u>September 30:</u>	<u>19.50 percent</u>
<u>Payment 7</u>	<u>October 15:</u>	<u>21.75 percent</u>

Sec. 5. Minnesota Statutes 1992, section 124.195, subdivision 6, is amended to read:

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during September or October, as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Sec. 6. Minnesota Statutes 1992, section 124.195, subdivision 12, is amended to read:

Subd. 12. [AID ADJUSTMENT FOR TRA CONTRIBUTION RATE CHANGE.] (a) The department of education shall reduce general education aid or any other aid paid in a fiscal year to school districts, intermediate school districts, education districts, education cooperative service units, special education cooperatives, secondary vocational cooperatives, regional management information centers, or another district or unit providing elementary or secondary education services. The reduction shall equal the following percent of salaries paid in a fiscal year by the entity to members of the teachers retirement association established in chapter 354. However, salaries paid to members of the association who are employed by a technical college shall be excluded from this calculation:

(1) in fiscal year years 1991 to 1994, 0.84 percent,

(2) in fiscal year 1992 1995 and later years, the greater of

(i) zero, or

(ii) 4.48 percent less the additional employer contribution rate established under section 354.42, subdivision 5.

(b) In fiscal year 1991, this reduction is estimated to equal \$14,260,000 1.5 percent.

Sec. 7. Minnesota Statutes 1992, section 124.2725, subdivision 16, is amended to read:

Subd. 16. [EXCLUSION FROM FUND BALANCE.] Revenue received by a district under this section for each year of cooperation and the first three years of combination shall be excluded from the net unreserved operating fund balance, for the purposes of section sections 124A.03, subdivision 3b, paragraph (c), and 124A.26.

Sec. 8. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM MARKET VALUE.] "Referendum market value" means the market value of all taxable property, except that any class of property, or any portion of a class of property, with a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its net tax capacity multiplied by 100.

Sec. 9. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [NET UNAPPROPRIATED OPERATING FUND BALANCE.] "Net unappropriated operating fund balance" means the sum of the fund balances in the general, transportation, food service, and community service funds minus the balances reserved for statutory operating debt reduction, bus purchase, severance pay, taconite, unemployment compensation, maintenance levy reduction, and encumbrances, computed as of June 30 each year.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124A.029, subdivision 4, is amended to read:

Subd. 4. [PER PUPIL REVENUE OPTION.] A district may, by school board resolution, request that the department convert the levy authority under section 124.912, subdivisions 2 and 3, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1993, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1993. The department shall convert a district's revenue for fiscal year 1995 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 124.912, subdivisions 2 and 3, for fiscal year 1994 by the district's 1993-1994 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 124.912, subdivisions 2 and 3, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires June 30, 1997, unless it is scheduled to expire sooner and the question on the referendum ballot did not provide for an expiration date, the authority shall expire according to section 124A.0311.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994; or
- (2) 25 percent of the formula allowance for fiscal year 1995 and later.

~~(b) The allowance calculated in paragraph (a) must be reduced by the amount of the referendum allowance reduction computed in subdivision 3b.~~

Sec. 12. Minnesota Statutes 1993 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. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. 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 referendum tax 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 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~~ ten, 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 a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as

the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice 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. 13. Minnesota Statutes 1992, 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 referendum market value of all taxable property as defined in section 124A.02, subdivision 3b. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

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

Sec. 14. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), and (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(i) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals either the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

(ii) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals either the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 15. [124A.0311] [REFERENDUM AUTHORITY.]

Subdivision 1. [EXPIRATION.] Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03 expires July 1, 2000. This subdivision does not apply to a referendum levy that is authorized for ten or fewer years and that is levied against the referendum market value of all taxable property located within the school district.

Subd. 2. [CONVERSION TO MARKET VALUE.] (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The board must notify the commissioner of education of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

Subd. 3. [ALTERNATIVE CONVERSION.] A school district that has a referendum that is levied against net tax capacity that expires before taxes payable in 1998 may convert its referendum authority according to this subdivision. In the payable year prior to the year of expiration, the school board may authorize a referendum under section 124A.03. Notwithstanding any other law to the contrary, the district may propose, and if approved by its electors, have its referendum authority reauthorized in part on tax capacity and in part on market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of referendum authority is levied against market value. If the full amount of the referendum is reauthorized on market value prior to taxes payable in 1998, the referendum may extend for 10 years. If the referendum becomes fully reauthorized on market value for a later year, the referendum shall not extend for more than the maximum number of years allowed under subdivision 2.

Subd. 4. [REFERENDUM.] The school board must prepare and publish in the official legal newspaper of the school district a notice of the public meeting on the district's intent to convert any portion of its referendum levy to market value not less than 30 days before the scheduled date of the meeting. The resolution converting a portion of the district's referendum levy to referendum market value becomes final unless within 30 days after the meeting where the resolution was adopted a petition requesting an election signed by a number of people residing in the district equal to 15 percent of the number of people who voted in the last general election in the school district is filed with the recording officer. If a petition is filed, then the school board resolution has no effect and the amount of referendum revenue authority specified in the resolution cancels for taxes payable in the following year and thereafter. The school board shall schedule a referendum under section 124A.03, subdivision 2.

Sec. 16. Minnesota Statutes 1992, section 124A.22, subdivision 2a, is amended to read:

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

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (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 136C.411.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of 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.

(c)(1) For a district that reorganizes according to section 122.22 or 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization. ~~This extension is available only in the calendar year following the effective date of reorganization.~~

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

(d) 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.

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

Sec. 17. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the school is at least 19 miles from the next nearest school, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of ~~one-half~~ 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of ~~one~~ 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 19. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992-1993 actual pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

(d) A school district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A school district that is reorganizing under section 122.22, 122.23, or 122.241 may cancel its supplemental revenue by notifying the commissioner of education prior to July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 9 and section 124A.03, subdivision 3b, equals zero.

Sec. 20. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [SUPPLEMENTAL REVENUE REDUCTION.] A district's supplemental revenue allowance is reduced by the sum of:

(1) the sum of one-fourth of the difference of:

(i) the sum of the district's training and experience revenue and compensatory revenue per actual pupil unit for that fiscal year, and

(ii) the sum of district's training and experience revenue and compensatory revenue per actual pupil unit for fiscal year 1994; and

~~(2) the difference between the formula allowance for the current fiscal year and \$3,050 \$100.~~

A district's supplemental revenue allowance may not be less than zero.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] (a) Of a district's general education revenue an amount equal to the sum of the number of elementary pupil units pupils in average daily membership defined in section 124.17, subdivision 1, clause (f) and kindergarten pupil units one-half of the number of kindergarten pupils in average daily membership as defined in section 124.17, subdivision 1, clause (e), times .03 for fiscal year 1994 and .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section.

~~(b) For fiscal year 1995, a district must reserve an additional amount equal to the greater of~~

~~(i) \$0, or~~

~~(ii) \$100 minus the sum of the reduction for supplemental revenue under section 124A.22, subdivision 9, and the reduction for referendum revenue under section 124A.03, subdivision 3b, times the district's actual pupil units times the ratio of the district's elementary average daily membership to the district's average daily membership according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.~~

~~(c) The ratio in paragraph (a) for fiscal year 1995 is adjusted by adding an amount equal to the ratio of the difference between the formula allowance for fiscal year 1995 minus 3,150 to 10,000.~~

Sec. 22. Minnesota Statutes 1992, sections 124A.26, is amended by adding a subdivision to read:

Subd. 5. [ALLOCATION AMONG ACCOUNTS.] The district must apportion any fund balance reduction under this section among all reserved and unreserved fund balance accounts included in the net unappropriated operating fund balance in the proportion that each account bears to the total.

Sec. 23. Minnesota Statutes 1992, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary under section 356.215, an additional employer contribution shall be made in the amount of 3.64 2.98 percent of the salary of each member.

This contribution must be made in the manner provided in section 354.43.

By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the additional employer contribution rate in effect and whether that amount is less than, the same as, or more than the required amortization contribution determined under section 356.215.

Sec. 24. Laws 1993, chapter 224, article 15, section 2, is amended to read:

Sec. 2. [DECLINING PUPIL UNIT AID.]

(a) For fiscal year 1994 only, a school district is eligible for declining pupil unit aid equal to the greater of zero or the result of the following computation:

(1) add 77 percent of the district's actual pupil units for fiscal year 1994 and 23 percent of the district's actual pupil units for fiscal year 1993;

(2) subtract from the amount calculated in clause (1) the district's actual pupil units for fiscal year 1994; and

(3) multiply the amount determined in clause (2) by the basic formula allowance for that year.

(b) The aid amount calculated under paragraph (a) is available from the general education appropriation under article 1, section 41, subdivision 2, to the department of education for payment of declining pupil unit aid.

(c) For the purposes of this section, under Minnesota Statutes, section 124.17, subdivision 3, a pupil who is in grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1993.

Sec. 25. [EXEMPTION TO CONTRACT DEADLINE; HAYFIELD.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, independent school district No. 203, Hayfield, is not subject to the contract penalty reduction in general education revenue for fiscal year 1994.

Sec. 26. [AID ADJUSTMENT.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, paragraph (c), if:

(1) a district's fiscal year 1994 general education aid was reduced under Minnesota Statutes 1992, section 124A.22, subdivision 2a;

(2) the district jointly negotiates a contract prior to the effective date of reorganization under Minnesota Statutes, sections 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized; and

(3) the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before May 15, 1994;

the district's general education aid shall be increased in the amount of the reduction.

Sec. 27. [DELAY IN AID REPAYMENT.]

Notwithstanding any law to the contrary, the department of education must allow independent school district No. 186, Pequot Lakes, to repay over a five-year period state aid overpayments for fiscal years 1991 and 1992 due to the property tax revenue recognition shift.

Sec. 28. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.]

For fiscal year 1995 only, additional basic general education aid is \$13.68 per actual pupil unit. This amount is added to the basic general education revenue in Minnesota Statutes, section 124A.22, subdivision 2, only for the purpose of computing additional basic general education aid. The additional aid shall not be included in the computation of any other aid or levy. The additional aid is not subject to the levy equity provision in Minnesota Statutes, section 124A.24. The additional general education aid in this section is not included in the calculation of the general education aid according to Minnesota Statutes, section 124A.032. This additional aid is intended to partially cover the increase in fiscal year 1995 of revenue reserved for staff development according to Minnesota Statutes, section 124A.29, subdivision 1.

Sec. 29. [GENERAL EDUCATION AID APPROPRIATION ADJUSTMENTS.]

The appropriation for general and supplemental education aid in Laws 1993, chapter 224, article 1, section 41, subdivision 2, is adjusted by the amounts in paragraphs (a) and (b).

(a) For fiscal year 1994:

(1) the reduction for the contract deadline penalty is \$800,000; and

(2) the reduction for additional permanent school fund earnings is \$1,800,000.

(b) For fiscal year 1995:

(1) the reduction for the TRA contribution rate change is \$12,185,000;

(2) the increase for the change in kindergarten pupil weighting is \$3,553,000; and

(3) the increase for the change in the secondary sparsity formula is \$1,382,000.

Sec. 30. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.] For general education aid according to section 27:

<u>\$12,604,000</u>	<u>.....</u>	<u>1995</u>
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Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

Subd. 3. [FISCAL YEAR 1995 SHIFT REDUCTION.] For reduction of the property tax revenue recognition shift percentage in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, below 37.4 percent:

<u>\$124,000,000</u>	<u>.....</u>	<u>1995</u>
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This amount is anticipated to reduce the shift percent to 30.2 percent.

Subd. 4. [ADDITIONAL FISCAL YEAR 1995 SHIFT REDUCTION.] If the November 1994 general fund revenue and expenditure forecast indicates a state aid savings in the general education aid appropriation attributable to a net increase in the fiscal year 1994 and fiscal year 1995 property tax revenue recognition shift savings as compared to the March 1994 forecast, adjusted for changes in the shift percentage, those additional state aid savings must be used to reduce the shift percentage below the percentage computed according to subdivision 3. By January 15, 1995, the commissioner of education must adjust the shift percentage and notify school districts of the revised percentage.

Sec. 31. [REPEALER.]

Laws 1993, chapter 224, article 1, section 37, is repealed.

Sec. 32. [EFFECTIVE DATE.]

(a) Sections 16 and 19 (124A.22, subdivisions 2a and 8); 24 (Laws 1993, chapter 224, article 15, section 2); 25 (HAYFIELD); 26 (AID ADJUSTMENT); 29 (GENERAL EDUCATION AID APPROPRIATIONS ADJUSTMENTS); are effective the day following final enactment.

(b) Section 13 (124A.03, subdivision 2a), is effective for taxes payable in 1995 and later years.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1992, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of resident pupils to and from language immersion programs; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(2) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] A district's excess nonregular transportation revenue for 1992-1993 and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times ~~1.30~~ the nonregular transportation inflation factor for the current year, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 3a, is amended to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, ~~the district's maximum excess transportation levy under subdivision 5~~, the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, 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 sum of the district's regular transportation revenue and the district's nonregular transportation revenue for that school year according to section 124.225, subdivision 7d, ~~paragraph (a)~~.

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

(c) Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 5. Minnesota Statutes 1992, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, a school district concerning the effect on student transportation of placing a child in a school district in which the child is not a resident, or any other information deemed material by the court.

Sec. 6. Laws 1993, chapter 224, article 2, section 15, subdivision 2, as amended by Laws 1993, chapter 374, section 5, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

~~\$127,889,000~~ \$127,955,000 1994

~~\$141,658,000~~ \$143,406,000 1995

The 1994 appropriation includes \$18,327,000 for 1993 and ~~\$109,562,000~~ \$109,628,000 for 1994.

The 1995 appropriation includes ~~\$19,334,000~~ \$19,345,000 for 1994 and ~~\$122,324,000~~ \$124,061,000 for 1995.

Sec. 7. [STAPLES TRANSPORTATION FUNDING.]

Notwithstanding Minnesota Statutes, section 124.225, or any other law to the contrary, for fiscal year 1994, transportation aid paid to independent school district No. 793, Staples, for residents of independent school district No. 483, Motley, transported under Minnesota Statutes, section 120.062, subdivision 9, shall be computed using the regular transportation allowance determined according to Minnesota Statutes, section 124.225, for independent school district No. 483, Motley.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [METRO DEAF TRANSPORTATION AID.] For transportation aid to independent school district No. 4005, Metro Deaf School:

<u>\$21,000</u>	<u>.....</u>	<u>1994</u>
<u>\$66,000</u>	<u>.....</u>	<u>1995</u>

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the commissioner shall pay transportation aid for fiscal years 1994 and 1995 to independent school district No. 4005, Metro Deaf School. The state aid for each fiscal year equals the district's actual cost for providing transportation services approved by the commissioner of education.

Sec. 9. [EFFECTIVE DATES.]

(a) Section 1 (language immersion program transportation) is effective the day following final enactment and applies to revenue for 1993-1994 and later school years.

(b) Sections 6 to 8 (transportation aid; Staples; appropriations) are effective the day following final enactment.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 13.04, is amended by adding a subdivision to read:

Subd. 5. [EDUCATION RECORDS; CHILD WITH A DISABILITY.] Nothing in this chapter shall be construed as limiting the frequency of inspection of the educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority. An agency or institution that receives a request for copies of a disabled child's educational records may charge fees that reflect the costs of reproducing the records except when to do so would impair the ability of the child's parent or guardian, or the child who has reached the age of majority, to copy the records.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.] Every district shall provide special instruction and services, either within the district or in another district, for children with a disability who are residents of the district and who are disabled as set forth in section 120.03. Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until September 1 after the child with a disability becomes 21 22 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 126.22, subdivision 2. Local health, education, and social service agencies shall refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This subdivision does not alter the compulsory attendance requirements of section 120.101.

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11b, is amended to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.] (a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible 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 be in conformity with an individual family service plan (IFSP) as defined in Code of Federal Regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. ~~County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.~~

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to subdivision 13, service responsibilities for children birth through age two are as follows:

(1) school boards are required to provide, pay for, and facilitate payment for special education and related services required under section 120.17, subdivision 2;

(2) county boards are required to provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to subdivision 13 to establish agency responsibility that assures that early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of ~~education~~ the state lead agency of their decision.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEES.] (a) A school 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 children with disabilities under age five and their families. Committees shall include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of young children with disabilities under age 12; current service providers; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.

(b) The committee shall develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

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

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

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

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313); and

(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of education the state lead agency and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

The departments of education, health, and human services must provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 5. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 17, is amended to read:

Subd. 17. [STATE INTERAGENCY AGREEMENT.] (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

- (3) establishment of local interagency agreements;
- (4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;
- (5) fiscal responsibilities of the state and local agencies;
- (6) intra-agency and interagency dispute resolution;
- (7) payor of last resort;
- (8) maintenance of effort;
- (9) procedural safeguards, including mediation;
- (10) complaint resolution;
- (11) quality assurance;
- (12) data collection; and
- (13) an annual summary to the state interagency coordinating council regarding conflict resolution activities including disputes, due process hearings, and complaints; and
- (14) other components of the state and local early intervention system consistent with Public Law Number 102-119.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 6. [120.1701] [INTERAGENCY EARLY CHILDHOOD INTERVENTION SYSTEM.]

Subdivision 1. [PURPOSE.] It is the policy of the state to develop and implement comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

Subd. 2. [DEFINITIONS.] For the purposes of this section the following terms have the meaning given them.

- (a) "Coordinate" means to provide ready access to a community's services and resources to meet child and family needs.
- (b) "Core early intervention services" means services that are available at no cost to children and families. These services include:

- (1) identification and referral;
- (2) screening;
- (3) evaluation;
- (4) assessment;
- (5) service coordination;
- (6) special education and related services provided under section 120.17, subdivision 3a, and United States Code, title 20, section 1401; and
- (7) protection of parent and child rights by means of procedural safeguards.
- (c) "County board" means a county board established under chapter 375.

(d) "Early intervention record" means any personally identifiable information about a child or the child's family that is generated by the early intervention system, and that pertains to evaluation and assessment, development of an individualized family service plan, and the delivery of early intervention services.

(e) "Early intervention services" means services provided in conformity with an individualized family service plan that are designed to meet the special developmental needs of a child eligible under Code of Federal Regulations, title 34, part 303, and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in subdivision 4 and services defined in Code of Federal Regulations, title 34, section 303, et seq.

(f) "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families, including, but not limited to:

(1) any public agency in the state that receives funds under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119);

(2) other state and local agencies administering programs involved in the provision of early intervention services, including, but not limited to:

(i) the Maternal and Child Health program under Title V of the Social Security Act, United State Code, title 42, sections 701 to 709;

(ii) the Individuals with Disabilities Education Act, United State Code, title 20, sections 1411 to 1420 (Part B);

(iii) medical assistance under the Social Security Act, United State Code, title 42, section 1396 et seq.;

(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States Code, title 42, sections 6021 to 6030 (Part B); and

(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and

(3) services provided by private groups or third-party payers in conformity with an individualized family service plan.

(g) "Eligibility for Part H" means eligibility for early childhood special education under section 120.03 and Minnesota Rules, part 3525.2335, subpart 1, items A and B.

(h) "Facilitate payment" means helping families access necessary public or private assistance that provides payment for services required to meet needs identified in a service plan, individual education plan (IEP), individual service plan (ISP), or individualized family service plan (IFSP), according to time frames required by the plan. This may also include activities to collect fees for services provided on a sliding fee basis, where permitted by state law.

(i) "Individualized family service plan" or "IFSP" means a written plan for providing services to a child and the child's family.

(j) "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, and their families.

(k) "Local primary agency" means the agency designated jointly by the school and county board under subdivision 4.

(l) "Parent" means the biological parent with parental rights, adoptive parent, legal guardian, or surrogate parent.

(m) "Part H state plan" means the annual state plan application approved by the federal government under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(n) "Pay for" means using federal, state, local, and private dollars available for early intervention services.

(o) "Respite" means short term, temporary care provided to a child with a disability due to the temporary absence or need for relief of the family member or members or primary care giver, normally providing the care.

(p) "State lead agency" means the state agency receiving federal funds under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(g) "Surrogate parent" means a person appointed by the local education agency to assure that the rights of the child to early intervention services are protected.

Subd. 6. [LOCAL PRIMARY AGENCY.] (a) The local primary agency shall:

(1) facilitate the development of annual fund requests that identify arrangements with other local and regional agencies providing services as part of the state's early childhood intervention system and that result in service availability on a year-round basis, as necessary;

(2) administer funds received through the annual fund request;

(3) provide oversight for data collection efforts;

(4) facilitate completion of interagency early intervention committee duties as indicated in subdivision 5;

(5) request mediation from the state lead agency, if necessary;

(6) request assistance from the state lead agency when disputes between agencies cannot be resolved within 20 calendar days; and

(7) receive written requests from parents for matters that may be resolved through due process hearings.

(b) When the local primary agency is not an education agency, resources distributed under the early intervention fund shall be transferred from a local educational agency to a noneducation agency using a state provided contract. A local primary agency may budget for indirect costs at an amount not to exceed five percent of the amount allocated from the early intervention fund.

Subd. 7. [INDIVIDUALIZED FAMILY SERVICE PLAN.] (a) A team must participate in IFSP meetings to develop the individualized family service plan. The team shall include:

(1) a parent or parents of the child;

(2) other family members, as requested by the parent, if feasible to do so;

(3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP; and

(5) a person or persons involved in conducting evaluation and assessments.

(b) The IFSP must include:

(1) information about the child's developmental status;

(2) family information, with the consent of the family;

(3) major outcomes expected to be achieved by the child and the family, that include the criteria, procedures, and time lines;

(4) specific early intervention services necessary to meet the unique needs of the child and the family to achieve the outcomes;

(5) payment arrangements, if any;

(6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;

- (7) dates and duration of early intervention services;
- (8) name of the service coordinator;
- (9) steps to be taken to support a child's transition from early intervention services to other appropriate services; and
- (10) signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment (or any combination of these) for early intervention services.

Subd. 8. [SERVICE COORDINATION.] (a) The team developing the individualized family service plan under subdivision 7 shall select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

- (1) coordinating the performance of evaluations and assessments;
- (2) facilitating and participating in the development, review, and evaluation of individualized family service plans;
- (3) assisting families in identifying available service providers;
- (4) coordinating and monitoring the delivery of available services;
- (5) informing families of the availability of advocacy services;
- (6) coordinating with medical, health, and other service providers;
- (7) facilitating the development of a transition plan at least six months prior to the time the child is no longer eligible for early intervention services, if appropriate;
- (8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and
- (9) notifying a local primary agency when disputes between agencies impact service delivery required by an individualized family service plan.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Subd. 8a. [EARLY INTERVENTION RESPITE.] The provision of respite services for an eligible child and family shall be determined in the context of the IFSP development based on the individual needs of the child and family and with consideration given to the following criteria:

- (1) severity of the child's disability and needs;
- (2) potential risk of out-of-home placement for the child if respite services are not provided;
- (3) parental lack of access to informal support systems, including, but not limited to, extended family, supportive friends, and community supports;
- (4) presence of factors known to increase family stress, including, but not limited to, family size and presence of another child or family member with a disability;
- (5) the availability of other public services provided to the family which assist the parent or primary caretaker in obtaining relief from caretaking responsibilities; and
- (6) the perceived and expressed level of need for respite services by the parent.

Counties are encouraged to make a variety of respite service models available, which may include in or out-of-home respite, family reimbursement programs, and parent-to-parent respite projects.

Subd. 9. [EARLY INTERVENTION FLOW-THROUGH DOLLARS.] (a) The state lead agency shall administer the early intervention account which consists of federal allocations. The Part H state plan shall state the amount of federal resources in the early intervention account available for use by local agencies. The state lead agency shall distribute the funds to the local primary agency based on a December 1 count of the prior year of Part H eligible children for the following purposes:

(1) as provided in Code of Federal Regulations, title 34, part 303.425, to arrange for payment for early intervention services not elsewhere available, or to pay for services during the pendency of a conflict procedure, including mediation, complaints, due process hearings, and interagency disputes; and

(2) to support interagency child find system activities.

(b) The priority purpose for this fund is paragraph (a), clause (1). The local primary agency shall reallocate resources from the early intervention fund as necessary in order to meet this priority.

(c) Nothing in this subdivision shall limit the state lead agency's authority to allocate discretionary federal funds for any purpose consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119) and regulations adopted under United States Code, title 20, sections 1471 to 1485.

(d) Each county board must continue to spend for early intervention services under subdivision 2, paragraph (e), an amount equal to the total county expenditure during the period from January 1, 1993, to December 31, 1993, for these same services. The commissioner of human services, in consultation with the commissioner of health and the association of Minnesota counties, shall establish a process for determining base year 1993 expenditures.

(e) County boards that have submitted base year 1993 expenditures as required under paragraph (d) are not required to pay any increased cost over the base year 1993 for early intervention services resulting from implementing the early intervention system. Increased costs to county boards may be paid for with early intervention flow-through dollars.

(f) School boards are not required to pay for services defined in section 120.17, subdivision 11b, paragraph (c), clause (2).

Subd. 10. [PAYMENT FOR SERVICES.] Core early intervention services shall be provided at public expense with no cost to parents. Parents shall be requested to assist in the cost of additional early intervention services by using third-party payment sources and applying for available resources. If a parent chooses not to access these resources, additional early intervention services may not be provided. Payment structures permitted under state law shall be used to pay for additional early intervention services. Parental financial responsibility shall be clearly defined in the individualized family service plan. A parent's inability to pay shall not prohibit a child from receiving needed early intervention services.

Subd. 11. [PAYOR OF LAST RESORT.] (a) For fiscal years 1995 and 1996, the state lead agency shall establish a reserve account from federal sources to pay for services in dispute or to pay for early intervention services when local agencies have exhausted all other public and private funds available for Part H eligible children.

(b) The lead agency shall report to the legislature by January 1, 1996, regarding county board expenditures for early intervention services and the continuing need and funding of the reserve account.

Subd. 14. [THIRD-PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Subd. 15. [BENEFITS COORDINATION.] The department of health shall provide technical assistance in a timely manner to service coordinators, parents of children with disabilities, and agencies in situations requiring the coordination of health insurance benefits, or the identification of third-party payor responsibilities to provide necessary health benefits.

Subd. 16. [PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS.] (a) This subdivision applies to local school and county boards for children from birth through age two who are eligible for Part H, Public Law Number 102-119, and their families. This subdivision must be consistent with the Individuals with Disabilities Education Act,

United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119), regulations adopted under United States Code, title 20, sections 1471 to 1485, and this section.

(b) A parent has the right to:

(1) inspect and review early intervention records;

(2) prior written notice of a proposed action in the parents' native language unless it is clearly not feasible to do so;

(3) give consent to any proposed action;

(4) selectively accept or decline any early intervention service; and

(5) resolve issues regarding the identification, evaluation, or placement of the child, or the provision of appropriate early intervention services to the child and the child's family through an impartial due process hearing pursuant to subdivision 20.

(c) The eligible child has the right to have a surrogate parent appointed by a school district as required by section 120.17, subdivision 3.

Subd. 17. [MEDIATION PROCEDURE.] The commissioner of the state lead agency shall use federal funds to provide mediation for the activities in paragraphs (a) and (b).

(a) A parent may resolve a dispute regarding issues in subdivision 16, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 20 calendar days of the date the commissioner receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.

(b) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

Subd. 18. [COMPLAINT PROCEDURE.] (a) An individual or organization may file a written signed complaint with the commissioner of the state lead agency alleging that one or more requirements of the Code of Federal Regulations, title 34, part 303, is not being met. The complaint must include:

(1) a statement that the state has violated the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) or Code of Federal Regulations, title 34, section 303; and

(2) the facts on which the complaint is based.

(b) The commissioner of the state lead agency shall receive and coordinate with other state agencies the review and resolution of a complaint within 60 calendar days according to the state interagency agreement required under subdivision 22.

Subd. 19. [INTERAGENCY DISPUTE PROCEDURE.] (a) A dispute between a school board and a county board that is responsible for implementing the provisions of subdivision 4 regarding early identification, child and family assessment, service coordination, and IFSP development and implementation shall be resolved according to this subdivision when the dispute involves services provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(b) A dispute occurs when the school board and county board are unable to agree as to who is responsible to coordinate, provide, pay for, or facilitate payment for services from public and private sources.

(c) Written and signed disputes shall be filed with the local primary agency.

(d) The local primary agency shall have attempted to resolve the matter with the involved school board and county board and may request mediation from the commissioner of the state lead agency for this purpose.

(e) When interagency disputes have not been resolved within 30 calendar days, the local primary agency shall request the commissioner of the state lead agency to review the matter with the commissioners of health and human services and make a decision. The commissioner shall provide a consistent process for reviewing those procedures. The commissioners' decision is binding subject to the right of an aggrieved party to appeal to district court.

(f) The local primary agency shall ensure that eligible children and their families receive early intervention services during resolution of a dispute. While a local dispute is pending, the local primary agency shall either assign financial responsibility to an agency or pay for the service from the early intervention account under subdivision 9. If in resolving the dispute, it is determined that the assignment of financial responsibility was inappropriate, the responsibility for payment must be reassigned to the appropriate agency and the responsible agency shall make arrangements for reimbursing any expenditures incurred by the agency originally assigned financial responsibility.

Subd. 20. [DUE PROCESS HEARINGS.] By July 1, 1994, the departments of education, health, and human services shall develop procedures for hearings.

Subd. 21. [DATA COLLECTION.] By July 1, 1994, the departments of education, health, and human services shall develop a plan to collect data about which early intervention services are being provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and sources of payment for those services.

Sec. 7. [120.1721] [STAFF DEVELOPMENT.]

The commissioner of education shall assist schools and school districts in developing and implementing staff development activities to support a comprehensive and integrated education system to meet the individual needs of all students upon the request of a school or district. The staff development activities may include training for general and special education administrators and instructional and support staff in collaboration, teaming, consulting, and conflict resolution skills. Training for regular education personnel may also include methods for accommodation and modification in instruction and assessment necessary to meet the needs of students with disabilities. The commissioner shall consult with the state special education advisory council in developing staff.

Sec. 8. [120.185] [ACCOMMODATING STUDENTS WITH DISABILITIES.]

A school or school district shall provide a student who is an "individual with a disability" under Section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, or under the Americans with Disabilities Act, Public Law Number 101-336, with reasonable accommodations or modifications in programs.

Sec. 9. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] (a) A district's ~~or cooperative center's~~ "secondary vocational aid" for secondary vocational education programs for a fiscal year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between the greater of:

(1) 20 percent of the district's secondary vocational expenditures for the current year, or

(2) the lesser of:

(i) 100 percent of the secondary vocational aid paid to the district for fiscal year 1993, including the district's proportionate share of aid paid to a secondary vocational cooperative, times the lesser of 1.0, or the ratio of the district's current year secondary vocational expenditures to the district's fiscal year 1993 expenditures for secondary vocational education, or

(ii) 35 percent of the sum of the district's current year secondary vocational expenditures and expenditures for necessary equipment for secondary vocational programs.

(b) For the purposes of this section, secondary vocational expenditures include:

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs; and

~~(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and~~

~~(b) 40 percent of approved expenditures for the following:~~

~~(1) (2) salaries paid to vocational administrators, support service facilitators, vocational evaluators, and other support personnel for services rendered in the district's approved secondary vocational education programs;~~

~~(3) contracted secondary vocational services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;~~

~~(2) (4) necessary travel between instructional sites by licensed secondary vocational education personnel;~~

~~(3) (5) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;~~

~~(4) (6) curriculum development activities that are part of a five-year plan for improvement based on program assessment;~~

~~(5) (7) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and~~

~~(6) (8) specialized vocational instructional supplies.~~

(c) Up to ten percent of a district's secondary vocational aid may be spent on equipment purchases. Districts using secondary vocational aid for equipment purchases must report to the department of education on the improved learning opportunities for students that result from the investment in equipment.

(d) On April 1, if the department of education determines that the secondary vocational aid appropriation for the current fiscal year exceeds what will be needed to fund the formula under paragraph (a), the department may make secondary vocational equipment grants to school districts by June 30 of the same fiscal year. The total amount of grant funding awarded must not exceed the amount of excess appropriation. A district's equipment grant may not exceed 30 percent of the amount that the proposed equipment purchases exceeds the amount of secondary vocational aid the district may spend on equipment purchases.

Grants are to enable school districts to purchase equipment that supports the following components of restructured models for secondary vocational education:

(1) new and emerging technological competencies and skills;

(2) integration of academic and vocational education; and

(3) achievement of student outcomes related to the graduation rule.

(e) A district is eligible for an equipment grant under paragraph (d) if the district has submitted a proposal prior to April 1 to the department that:

(1) describes the district's proposed secondary vocational equipment purchases;

(2) specifies the cost of that equipment, which must be at least ten percent of the district's secondary vocational aid for that year; and

(3) describes how the equipment purchases will support a restructured secondary vocational curriculum as specified in paragraph (d).

Sec. 10. Minnesota Statutes 1992, section 124.90, is amended by adding a subdivision to read:

Subd. 5. [NO REDUCTION IN REVENUE.] A school district's revenue for special education programs shall not be reduced by any payments for medical assistance or insurance received according to this section.

Sec. 11. [125.1895] [SKILLED SCHOOL INTERPRETERS.]

Subdivision 1. [REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ENGLISH INTERPRETERS.] (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf, or a comparable state certification from a Minnesota state certifying system if such a state system is developed; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) Within one year from the date of employment, a person must satisfactorily complete a course on the application of the registry of interpreters code of ethics as it applies to educational settings.

(c) When employed to work with students who are deaf-blind, the person must satisfactorily complete within one year from the date of employment a course on the theory and practice of the unique interpreting/transliterating skills required of a person who works as an interpreter/transliterator with persons who are deaf or hard of hearing and visually impaired.

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from a Minnesota state certifying system if a state system is developed.

(b) Within one year from the date of employment, a person must satisfactorily complete a course on the application of the RID code of ethics as it applies to educational settings and at least four credit hours in deaf education, the psychology of deafness, or deaf culture.

(c) When employed to work with students who are deaf-blind, that person must satisfactorily complete within one year from the date of employment a course on the theory and practice of the unique interpreting/transliterating skills required of a person who works as a transliterator with persons who are deaf or hard of hearing and visually impaired.

Subd. 3. [COURSES.] The department of education and the resource center: deaf and hard of hearing shall work with interpreter/transliterator training programs, the Minnesota registry of interpreters educational interpreter committee, the Minnesota association of deaf citizens, and the Minnesota deaf-blind association, to ensure that courses described in subdivisions 1, paragraphs (b) and (c), and 2, paragraphs (b) and (c), are available by July 1, 1998.

Subd. 4. [PROVISIONAL PERMITS; EMPLOYMENT.] (a) In addition to any other requirements that a school district establishes, any person currently employed by or any person who is hired to provide American sign language/English interpreting, sign transliterating, oral transliterating, or cued speech transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 1995, and before July 1, 2000, must be an interpreter/transliterator with a provisional permit issued by the department of education.

(b) The department of education shall establish and administer a provisional permit system. The system shall award a provisional permit that expires on July 1, 2000, in American sign language/English interpreting and sign transliterating, oral transliterating, or cued speech transliterating to a person who meets one of the following criteria:

(1) is currently employed by a school district as an interpreter or transliterator;

(2) is applying for employment in a school district as an American sign language/English interpreter or sign transliterator and has successfully completed an interpreter training program affiliated with an accredited educational institution; or

(3) is applying for employment in a school district as a cued speech transliterator or oral transliterator.

(c) A person seeking a provisional permit must submit an annual professional development plan to the person's local school district. The purpose of the plan is to assist interpreters/transliterators in meeting the requirements in subdivision 1 or 2 before their provisional permit expires.

(d) Any person awarded a provisional permit for American sign language/English interpreting and sign transliterating must complete the requirements of subdivision 1, paragraphs (a), clause (1), and (b), at the time the person's provisional permit expires. Any person awarded a provisional permit for oral or cued speech transliterating must complete the requirements of subdivision 2, paragraphs (a) and (b), at the time the person's provisional permit expires.

Subd. 5. [QUALIFIED INTERPRETERS.] The department of education and the resource center: deaf and hard of hearing shall work with existing interpreter/transliterator training programs, other training/educational institutions, and the regional service centers to ensure that ongoing staff development training for educational interpreters/transliterators is provided throughout the state.

Subd. 6. [REIMBURSEMENT.] The department of education shall only reimburse school districts for the services of those interpreters/transliterators who satisfy the standards of competency under this section.

Subd. 7. [DEFINITION.] For the purposes of subdivisions 1 to 6, the term "long-term substitute" means a substitute employed by a school district to work more than 15 consecutive school days.

Sec. 12. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.] There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the regular courses prescribed for normal pupils. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 13. Laws 1993, chapter 224, article 3, section 36, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; APPLICATIONS.] (a) The commissioner shall make application forms available to school districts interested in exploring effective alternatives for delivering certain special education services and programs as described in this section. Interested school districts must have their application to participate in the project approved by their local school board after a public hearing on the matter. Applications must be submitted to the commissioner by January 1, 1995. The application must describe how the applicant proposes to realize the purpose and goal of the project, including what activities and procedures the applicant proposes and whether the applicant seeks to be exempted from Minnesota Rules, part 3525.1341. The application must also describe what staff development activities the applicant will provide to improve and expand opportunities for students with disabilities in the regular classroom setting and foster greater integration of general education and special education instruction and administration. The commissioner may require additional information of an applicant. The commissioner shall approve 12 applications before March 1, 1995. The commissioner shall ensure an equitable geographical distribution of project participants throughout the state.

(b) The commissioner shall make available to school districts interested in applying to participate in the project discretionary funds under Public Law Number 101-476 to allow the districts to cover the costs of convening their advisory council members under subdivision 6 to assist in developing an application under this subdivision.

Sec. 14. Laws 1993, chapter 224, article 3, section 38, subdivision 22, is amended to read:

Subd. 22. [TEACHER EDUCATION; HEARING IMPAIRED.] To assist school districts in greater Minnesota in educating teachers in American sign language, American sign language linguistics, and deaf culture as required under section 11, clause (c):

\$25,000	1994
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\$35,000	1995
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~~This appropriation is available until June 30, 1995.~~

The 1994 appropriation is available for assisting districts in greater Minnesota.

The 1995 appropriation is available for all school districts.

Any unspent portion of the 1994 appropriation is available in 1995.

Sec. 15. [STATE BOARD OF EDUCATION SHALL ADOPT RULES.]

The state board of education shall adopt the recommended rules in the final report of the task force on education for children with disabilities and Minnesota Rules, part 3525.2925, subpart 1, as its proposed rules. It shall adopt, amend, or repeal the special education rules under Minnesota Statutes, sections 14.131 to 14.20. In addition to the task force report, the board shall consider public comment about the educational needs of individual students and students' access to necessary services. The statement of need and reasonableness under Minnesota Statutes, section 14.131, shall address the effects of proposed changes regarding individual student needs and student access to necessary services. The state board shall hold a public hearing under Minnesota Statutes, section 14.14, no later than July 31, 1994.

Sec. 16. [SPECIAL EDUCATION GUIDELINES.]

The commissioner of education shall develop guidelines for the delivery of special education instruction and services for use by parents, school district administrators, teachers, and related service staff, and other direct service providers. The commissioner shall update the guidelines as necessary to ensure that the information contained in the guidelines is current. The guidelines shall contain at least the following:

- (1) a concise listing of all federal and state laws, rules, and regulations that apply to special education;
- (2) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities; and
- (3) the rights and procedural safeguards available to students with disabilities and their parents or guardian.

The guidelines must be available for distribution at the start of the 1994-1995 school year.

Sec. 17. [STUDY OF STUDENT SUSPENSIONS AND EXPULSIONS.]

(a) For the 1994-1995 and 1995-1996 school years, each school district shall use a standardized form developed by the commissioner of education to report to the commissioner all incidents of misbehavior that result in the suspension or expulsion of students under Minnesota Statutes, sections 127.26 to 127.39. The standardized reporting form, which the commissioner may coordinate with the reporting form required under Minnesota Statutes, section 121.207, shall include the following information:

- (1) a description of each incident of misbehavior that leads to the suspension or expulsion of the student including, where appropriate, a description of the dangerous weapon as defined in Minnesota Statutes, section 609.02, subdivision 6, involved in the incident;
- (2) information about the suspended or expelled student, other than the student's name, including the student's age, whether the student is a student of color, and the number of times the student has been suspended or expelled previously and for what misbehavior;
- (3) whether the student has or had an individualized learning plan (IEP) under Minnesota Statutes, section 120.17, and, if the student has or had an IEP, whether the misbehavior resulting in suspension or expulsion was a manifestation of the student's disabling condition; and
- (4) the actions taken by school officials to respond to the incident of misbehavior.

(b) School districts shall use the standardized form to transmit the information described in paragraph (a) to the commissioner biannually by February 1 and July 1, beginning February 1, 1995, and ending July 1, 1996. The commissioner shall compile and analyze the data and present to the education committees of the legislature an interim report by January 1, 1996, and a final report by February 1, 1997.

Sec. 18. [TASK FORCE.]

Subdivision 1. [REAUTHORIZATION.] Notwithstanding Laws 1993, chapter 224, article 3, section 41, the task force on education for children with disabilities shall expire February 15, 1995. The commissioner may appoint new members to fill vacancies on the task force.

Subd. 2. [STUDY REQUIRED.] (a) The task force shall review and may recommend changes to the education committees of the legislature in Minnesota Rules, parts 3525.1325, 3525.1327, 3525.1329, 3525.1331, 3525.1333, 3525.1335, 3525.1337, 3525.1339, 3525.1341, 3525.1343, 3525.1345, 3525.2325, and 3525.2340. In making its recommendations, the task force shall consider the educational needs of individual students, students' access to necessary services, maximization of teacher contact time with students, paperwork requirements, student achievement of educational outcomes, the integration of special education and general education instructional practices, and the costs of instruction and support services.

(b) In making its recommendations, the task force shall consult appropriate experts.

Sec. 19. [APPROPRIATION.]

For the task force on education for children with disabilities:

\$25,000 1994

This appropriation is added to the appropriation in Laws 1993, chapter 224, article 3, section 38, subdivision 21. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities under this section.

Sec. 20. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall renumber sections 120.17, subdivision 11a, as 120.1701, subdivision 3; 120.17, subdivision 11b, as 120.1701, subdivision 4; 120.17, subdivision 12, as 120.1701, subdivision 5; 120.17, subdivision 14, as 120.1701, subdivision 12; 120.17, subdivision 14a, as 120.1701, subdivision 13; 120.17, subdivision 17, as 120.1701, subdivision 22. The revisor, with the assistance of the department of education, shall, where appropriate, change cross-references to conform with the renumbering.

Sec. 21. [EFFECTIVE DATE.]

Section 11 (125.1895) is effective beginning in the 1994-1995 school year.

ARTICLE 4

COMMUNITY EDUCATION

Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 5c. [EDUCATION RECORDS.] A school district from which a student is transferring must transmit the student's educational records, within ten business days of the date the student withdraws, to the school district in which the student is enrolling. School districts must make reasonable efforts to determine the school district in which a transferring student is next enrolling in order to comply with this subdivision.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE ORGANIZATION.] "Eligible organization" means:

- (1) a local unit of government including a statutory or home rule charter city, township, county, or group of two or more contiguous counties;
- (2) an existing nonprofit organization organized under chapter 317A;
- (3) an educational institution;
- (4) a private industry council; or

(5) a state agency; or

(6) a federal agency.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 9, is amended to read:

Subd. 9. ~~[YOUTH WORKS TASK FORCE COMMISSION.]~~ "Youth works task force" "Commission" means the task force Minnesota commission on national and community service established in section 121.703.

Sec. 4. Minnesota Statutes 1993 Supplement, section 121.703, is amended to read:

121.703 ~~[YOUTH WORKS TASK FORCE~~ MINNESOTA COMMISSION ON NATIONAL AND COMMUNITY SERVICE.]

Subdivision 1. ~~[CREATION.]~~ The youth works task force Minnesota commission on national and community service is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. Retroactive to the first Monday in January 1994, the terms of the members of the first commission shall be, as nearly as possible, one year for one-third of the members, two years for one-third of the members, and three years for one-third of the members. The members of the first commission shall determine the length of their terms by lot. Thereafter, the terms of commission members shall be for three years. Commission members may be reappointed upon the completion of their current term. The terms, compensation, filling of vacancies, and removal of members are governed by section ~~15.059~~ 15.0575. The youth works task force commission may accept gifts and contributions from public and private organizations.

Subd. 2. ~~[MEMBERSHIP.]~~ The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, labor and industry, office of strategic and long range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, association of service delivery areas, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local educational agencies, volunteer public safety organizations, education partnership programs, public or nonprofit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. (a) The commission consists of 18 voting members. Voting members shall include the commissioner of education, a representative of the children's cabinet elected by the members of the children's cabinet, and the executive director of the higher education coordinating board.

(b) The governor shall appoint 15 additional voting members. Eight of the voting members appointed by the governor shall include a representative of public or nonprofit organizations experienced in youth employment and training, organizations promoting adult service and volunteerism, community-based service agencies or organizations, local public or private sector labor unions, local governments, business, a national service program, and Indian tribes. The remaining seven voting members appointed by the governor shall include an individual with expertise in the educational, training and development needs of youth, particularly disadvantaged youth; a youth or young adult who is a participant in a higher education based service-learning program; a disabled individual representing persons with disabilities; a youth who is out of school or disadvantaged; an educator of primary or secondary students; an educator from a higher education institution; and an individual between the ages of 16 and 25 who is a participant or supervisor in a youth service program.

(c) The governor shall appoint up to five ex officio nonvoting members from among the following: the commissioners of the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the director of the Minnesota office of volunteer services, the commissioner of the housing finance agency, and the president of Minnesota Technology, Inc.

(d) A representative of the corporation for national and community service shall serve as an ex officio nonvoting member.

(e) Voting and ex officio nonvoting members may appoint designees to act on their behalf. The number of voting members who are state employees shall not exceed 25 percent.

(f) The governor shall ensure that, to the extent possible, the membership of the ~~task-force~~ commission is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the ~~task-force~~ commission.

Subd. 3. [DUTIES.] (a) The ~~youth-works task-force~~ commission shall:

(1) develop, with the assistance of the governor and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) coordinate volunteer service learning programs within the state;

(4) develop, in cooperation with the education and employment transitions council, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;

(6) administer the youth works grant program under sections 121.704 to 121.709, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits and administer the federal Americorps program;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor and legislature; and

(9) provide oversight and support for school, campus, and community-based service programs.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 5. Minnesota Statutes 1993 Supplement, section 121.705, is amended to read:

121.705 [YOUTH WORKS GRANTS.]

Subdivision 1. [APPLICATION.] An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the ~~youth-works task-force~~ commission an application that complies with section 121.706.

Subd. 2. [GRANT AUTHORITY.] The ~~youth-works task-force~~ commission shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the ~~youth-works task-force~~ commission may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 6. Minnesota Statutes 1993 Supplement, section 121.706, is amended to read:

121.706 [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the ~~youth-works task-force~~ commission an application that meets the requirements of this section. The ~~youth-works task-force~~ commission shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application shall:

(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the ~~classroom~~ educational component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the ~~youth works task force~~ commission and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

Sec. 7. Minnesota Statutes 1993 Supplement, section 121.707, is amended to read:

121.707 [PROGRAM PROVISIONS.]

Subdivision 1. [PARTICIPANT ELIGIBILITY.] (a) An individual is eligible to participate in full-time youth community service if the individual:

- (1) is at least 17 to 24 years old;
- (2) is a citizen of the United States or lawfully admitted for permanent residency;
- (3) ~~is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);~~
- (4) is applying for service and has received a high school diploma or its equivalent, or agrees to attain a high school diploma or its equivalent while participating in the program; and
- (5) (4) agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.

(b) An individual is eligible to participate in part-time youth community service if the individual is at least 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to (5) (4).

Subd. 2. [TERMS OF SERVICE.] (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year, ~~or at least an average of nine hours per week each year.~~ A part-time participant shall serve at least 900 hours during a period of not more than two years or three years if enrolled in an institution of higher education. A participant performing full-time service under sections 121.701 to 121.710 shall serve ~~for not less than 40 hours per week at least 1,700 hours during a period of not less than nine months or more than one year.~~

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. ~~The benefit must be \$2,000 per year of part-time service or \$5,000 per year of full-time service not less than \$4,725 per year of full-time service or prorated for part-time service.~~

~~(b) In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).~~

(e) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(d) (c) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. [USES OF POSTSERVICE BENEFITS.] (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for ~~five~~ seven years after completing the program and may only be used for:

(1) paying a student loan;

(2) costs of attending an institution of higher education; or

(3) expenses incurred by a student in an approved youth apprenticeship program under chapter 126B or in an a registered apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The ~~youth works task force~~ commission, in consultation with the education and employment transitions council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

(c) The postservice benefit shall not be included in determining financial need when establishing eligibility or award amounts for financial assistance programs under chapter 136A.

Subd. 5. [LIVING ALLOWANCE.] (a) A participant in a full-time community service program shall receive a monthly stipend of not less than \$500. An eligible organization may provide participants with additional amounts from ~~nonfederal or nonstate~~ sources. The amount of the living allowance may be prorated for part-time participants.

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health and ~~dental~~ child care coverage to each participant in a full-time youth works program who does not otherwise have access to health or ~~dental~~ child care coverage. The state shall include the cost of group health and ~~dental~~ child care coverage in the grant to the eligible organization.

Subd. 6. [PROGRAM TRAINING.] (a) The ~~youth works task force~~ commission shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

(1) orient each participant in the nature, philosophy, and purpose of the program;

(2) build an ethic of community service through general community service training; and

(3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The ~~youth works task force~~ commission may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 8. Minnesota Statutes 1993 Supplement, section 121.708, is amended to read:

121.708 [PRIORITY.]

The ~~youth works task force~~ commission shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

- (1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;
- (2) serves a community with significant unmet needs;
- (3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;
- (4) builds linkages with existing, successful programs; and
- (5) can be operational quickly.

Sec. 9. Minnesota Statutes 1993 Supplement, section 121.709, is amended to read:

121.709 [MATCH REQUIREMENTS.]

~~A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Youth works grant funds must be used for the living allowance, cost of F.I.C.A. and workers compensation coverage, and health and dental benefits for each program participant. Applicant funds resources, from sources and in a form determined by the youth works task force commission, must be used to pay provide for crew leaders, administration, all other program operating costs including costs of supplies, materials, and transportation, travel, salaries and benefits of those staff directly involved in the operation of the program and internal monitoring and evaluation. Administrative expenses must not exceed seven five percent of total program costs. To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 121.710, is amended to read:

121.710 [EVALUATION AND REPORTING REQUIREMENTS.]

Subdivision 1. [GRANTEE ORGANIZATIONS.] Each grantee organization shall report to the ~~youth works task force~~ commission at the time and on the matters requested by the ~~youth works task force~~ commission.

Subd. 2. [INTERIM REPORT.] The ~~youth works task force~~ commission shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. [FINAL REPORT.] The ~~youth works task force~~ commission shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 11. Minnesota Statutes 1993 Supplement, section 121.831, subdivision 9, is amended to read:

Subd. 9. [CHILD RECORDS.] (a) 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. Information in the record may be disseminated to an educator or service provider only to the extent that that person has a need to know the information.

(b) An educator or service provider may transmit information in the child's cumulative record to an educator or service provider in another program for young children when the child applies to enroll in that other program.

Sec. 12. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 1, is amended to read:

Subdivision 1. [SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.] The ~~youth works task force~~ Minnesota commission for national and community service, established in section 121.703, shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Sec. 13. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 2, is amended to read:

Subd. 2. [SERVICE LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the ~~task force commission~~, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service learning.

Sec. 14. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 4, is amended to read:

Subd. 4. [PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.] (a) The ~~youth works task force~~ Minnesota commission for national and community service established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a ~~public~~ post-secondary school under paragraph (a).

(c) The ~~youth works task force~~ Minnesota commission for national and community service, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 15. Minnesota Statutes 1992, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic ~~and continuing~~ education program is a day or evening program offered by a district that is for people over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged to a learner for instruction subsidized paid under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 16. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] (a) To receive aid under this section, a district, a consortium of districts, or a nonprofit organization must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

(b) The commissioner may ~~contract with~~ grant adult basic education funds to a ~~private~~, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under ~~a contract~~ this provision must be approved and funded according to the same criteria used for district programs.

(c) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and ~~experimental~~ experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 17. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS; REVENUE; AID.] Each district ~~or~~ group of districts, or nonprofit organization providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All ~~aid~~ revenue received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than 100 percent of the actual cost of providing these programs.

Sec. 18. Minnesota Statutes 1992, section 124.2601, subdivision 3, is amended to read:

Subd. 3. [AID.] Adult basic education aid for each ~~district with an eligible~~ approved program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Sec. 19. Minnesota Statutes 1992, section 124.2601, subdivision 5, is amended to read:

Subd. 5. [REVENUE.] Adult basic education revenue is equal to the sum of ~~a district's~~ an approved program's adult basic education aid and its adult basic education levy.

Sec. 20. Minnesota Statutes 1992, section 124.2601, subdivision 7, is amended to read:

Subd. 7. [PRORATION.] If the total appropriation for adult basic education aid is insufficient to pay all ~~districts~~ approved programs the full amount of aid earned, the department of education shall proportionately reduce each ~~district's~~ approved program's aid.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district equals \$101.25 for 1993 and later fiscal years times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on ~~September~~ October 1 of the previous school year.

Sec. 22. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. [RESERVE ACCOUNT.] Early childhood family education revenue must be maintained in a reserve account within the community service fund.

Sec. 23. Minnesota Statutes 1993 Supplement, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals ~~85 cents for fiscal year 1994, \$1 for fiscal year 1995, and 85 cents for fiscal year 1996 and thereafter,~~ times the greater of 1,335 or the population of the district.

Sec. 24. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue must be maintained in a reserve account within the community service fund.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's general community education revenue under section 124.2713, subdivision 3, for that fiscal year over the amount received by the district under section 124.2713, subdivision 3, for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 26. Minnesota Statutes 1992, section 124C.49, is amended to read:

124C.49 [DESIGNATION AS CENTER.]

The commissioner of education, in cooperation with the state board of education, shall establish a process for state designation and approval of area learning centers that meet the provisions of sections 124C.45 to 124C.48. Any process for designating and approving an area learning center must emphasize the importance of having the area learning center serve students who have dropped out of school, are homeless, are eligible to receive free or reduced priced lunch, have been suspended or expelled, have been declared truant or are pregnant or parents.

Sec. 27. Minnesota Statutes 1992, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district contracting with the private organization must reimburse the provider an amount equal to at least 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 28. Minnesota Statutes 1992, section 126.77, subdivision 1, is amended to read:

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; and

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 29. Minnesota Statutes 1992, section 126.78, is amended to read:

126.78 [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement or to continue a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement or to continue a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) continue or integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. [GRANT AWARDS.] The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed \$3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

Subd. 4. [GRANT PROCEEDS.] A successful applicant shall use the grant money to develop and implement or to continue a violence prevention program according to the terms of the grant application.

Sec. 30. Minnesota Statutes 1992, section 127.27, subdivision 5, is amended to read:

Subd. 5. "Expulsion" means an action taken by a school board to prohibit an enrolled pupil from further attendance for a period that shall not extend beyond the an amount of time equal to one school year from the date a pupil is expelled.

Sec. 31. Minnesota Statutes 1992, section 127.30, is amended by adding a subdivision to read:

Subd. 4. (a) Before a pupil is readmitted to school after being suspended for five or more days, the pupil and the pupil's parent or guardian shall meet with administrative personnel in the school to establish a plan to improve the pupil's behavior and the consequences to the pupil of not improving the pupil's behavior. This requirement may be included as part of the readmission plan.

(b) The requirement to meet in paragraph (a) also applies to a pupil who is suspended from school for fewer than five days for possessing a dangerous weapon in a school zone.

(c) If school personnel are unable to meet with the pupil's parent or guardian after making reasonable efforts to meet, as required under paragraph (a), the school personnel shall meet with the pupil. This meeting shall satisfy the requirement to meet in paragraph (a).

Sec. 32. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. (a) Before a pupil is readmitted to school after being excluded or expelled because the pupil was absent from school without lawful excuse for all or part of ten or more school days, the pupil and the pupil's parent or guardian shall meet with administrative personnel in the school to establish a plan to improve the pupil's behavior and the consequences to the pupil of not improving the pupil's behavior.

(b) If school personnel are unable to meet with the pupil's parent or guardian after making reasonable efforts to meet, as required in paragraph (a), the school personnel shall meet with the pupil. This meeting shall satisfy the requirement to meet in paragraph (a).

Sec. 33. Minnesota Statutes 1992, section 127.38, is amended to read:

127.38 [POLICIES TO BE ESTABLISHED.]

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt policies and rules in writing to effectuate the purposes of sections 127.26 to 127.39. The policies will emphasize the prevention of dismissal action through early detection of problems. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period and help prepare the pupil for readmission.

(b) The commissioner shall actively encourage and assist school districts to cooperatively establish alternative learning programs that offer instruction to pupils who are dismissed from school for willfully engaging in dangerous, disruptive, or violent behavior, including for possessing a firearm in a school zone.

Sec. 34. Minnesota Statutes 1992, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

- (1) the lease must be for a period of at least 12 consecutive months;
- (2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;
- (3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for handicapped children; adult basic and continuing education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and
- (4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 35. [EFFECTIVE DATE.]

Section 23 (sec. 124.2713, subd. 5) is effective for revenue for fiscal year 1995 and thereafter.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. [USES OF REVENUE.] Capital expenditure equipment revenue may be used only for the following purposes:

(1) to pay capital expenditure equipment related assessments of any entity formed under a cooperative agreement between two or more districts;

(2) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(3) to purchase or lease equipment for instructional programs;

(4) to purchase textbooks;

(5) to purchase new and replacement library books; and

(6) to purchase vehicles except those for which a levy is authorized under section 124.226, subdivision 6.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.2455, is amended to read:

124.2455 [BONDS FOR CERTAIN CAPITAL FACILITIES.]

(a) In addition to other bonding authority, with approval of the commissioner, a school district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

(1) under section 124.243, subdivision 6, capital expenditure facilities revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);

(2) the cost of energy modifications;

(3) improving handicap accessibility to school buildings; and

(4) bringing school buildings into compliance with life and safety codes and fire codes.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) 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 adoption of a resolution stating the board's intention to issue bonds. 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.

(d) The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 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 that of the current year for the next ten years. Once finally authorized, the district must set aside the lesser of the amount necessary to make the principal and interest payments or 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 chapter 475, except as otherwise provided in this section.

(e) Notwithstanding paragraph (d), within the first five years following voter approval of a combination according to section 122.243, subdivision 2, bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successive section for the current year plus projected revenue not greater than that of the current year for the next 20 years. All the other provisions and limitations of paragraph (d) apply.

Sec. 3. Minnesota Statutes 1992, section 124.84, is amended by adding a subdivision to read:

Subd. 4. [LEVY AUTHORITY IN COMBINED DISTRICTS.] Notwithstanding subdivision 3, a district that has combined or consolidated may levy up to 50 percent times \$300,000 times the number of former districts that operated on June 30, 1991, in the area that now makes up the combined or consolidated district. The approved amount is reduced by any amount levied under subdivision 3 in the consolidated or combined district or in the former districts that make up the consolidated or combined district. Levy authority under this subdivision expires at the same time as levy authority under subdivision 3.

Sec. 4. Minnesota Statutes 1992, section 124.85, as amended by Laws 1993, chapter 224, article 5, sections 27, 28, and 29, is amended to read:

124.85 [ENERGY EFFICIENCY PROJECTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) insulation of the building structure and systems within the building;
- (2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) automatic energy control systems;
- (4) heating, ventilating, or air conditioning system modifications or replacements;
- (5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;
- (6) energy recovery systems;
- (7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;
- (8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed 25 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall comply with clauses (1) to (4).

(1) The board shall seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers. The request for proposals must notify potential bidders on projects estimated to exceed \$300,000 in cost that they may be required to provide information necessary to allow a licensed professional engineer to make a report under clause (2).

(2) For projects, the estimated cost of which is more than \$300,000, the board may hire and receive a report from a licensed professional engineer, not connected with or promoted by a qualified provider submitting a proposal on the project, evaluating the projected costs and the operational and energy savings of the proposed guaranteed energy savings contract. The cost of this report must be included in the cost of the guaranteed energy savings contract, and paid for as part of the contract. A qualified provider submitting a proposal to the board must provide the licensed professional engineer hired by the board with information of the type and in the format requested by the engineer.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract. The contract must provide a means for auditing these costs and savings at least every two years for the duration of the contract.

(4) The board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

(c) Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates giving detailed calculations of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates giving detailed calculations of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is, including the cost of any report under subdivision 2, paragraph (b), clause (2), are not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the proposal from any qualified provider and the report from the licensed professional engineer, it finds that the amount it would spend on the energy conservation measures recommended in the report proposed by the qualified provider is not likely to exceed the amount to be saved in energy and operation costs over 25 15 years from the date of installation if the recommendations in the report proposals made by the qualified provider 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 25 15 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than 1/25 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a 25-year 15-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Subd. 7. [PUBLIC INFORMATION.] A guaranteed energy savings contract must provide that all work plans prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data at all times after the contract is entered into.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal 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.

(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 1, 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.

(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district 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, lease purchase payments under section 124.91, subdivisions 2 and 3, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; and

(4) obligations under section 124.2455.

(c) For purposes of this section, if a preexisting school district reorganized under section 122.22, 122.23, or 122.241 to 122.248 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting school districts.

Sec. 7. Minnesota Statutes 1992, 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 school year ending in the year prior to the year the levy is certified; 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. 8. Minnesota Statutes 1992, section 475.61, subdivision 4, is amended to read:

Subd. 4. [SURPLUS FUNDS.] (a) All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the general education levy authorized pursuant to section 124A.23 and the state aids authorized pursuant to chapters 124, 124A, and 273.

(b) The reduction to state aids equals the lesser of (1) the amount of the surplus times the ratio of the district's debt service equalization aid to the district's debt service equalization revenue for the last year that the district qualified for debt service equalization aid; or (2) the district's cumulative amount of debt service equalization aid.

(c) The reduction to the general education levy equals the total amount of the surplus minus the reduction to state aids.

Sec. 9. Laws 1992, chapter 499, article 11, section 9, is amended to read:

Sec. 9. [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 of \$1.

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.

Subd. 4. [TITLE REVERTS TO STATE.] If the lands described in subdivision 1 are not used for a public purpose, or upon discontinuance of such use, the title for the property shall revert to the state.

Sec. 10. Laws 1993, chapter 224, article 5, section 43, is amended to read as follows:

Sec. 43. [EXCEPTION TO LEASE LIMIT LEASE SPACE; EDUCATIONAL PURPOSES.]

Subdivision 1. [LEASE SPACE; BONDS.] Notwithstanding any law to the contrary, the city of Rollingstone may construct and equip a facility and lease the space for educational purposes. The city may issue revenue bonds in accordance with Minnesota Statutes, chapter 475, except as otherwise provided in this section, to finance the acquisition, construction, and equipping of the facility.

Subd. 2. [EXCEPTION TO LEASE LIMIT.] Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Subd. 3. [PAYMENTS; LEVY.] (a) The payments required to be made by the district under the agreement described in subdivision 2 are fixed for the term of the agreement, except that the payments may be revised as necessary to produce income and revenue for the prompt payment of principal and interest when due on the revenue bonds issued under this section. Upon approval of the agreement described in subdivision 2 by the commissioner of education, the district may shall execute the agreement described in subdivision 2 and shall levy a tax for as many years as required under the agreement in the amount necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The district may levy said taxes without limitation as to rate or amount and may pledge its full faith, credit, and taxing power for payment of the obligations under the agreement. Minnesota Statutes, section 475.58, does not apply to the revenue bonds or the agreement.

(b) To obtain approval for the agreement described in subdivision 2 from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 11. Laws 1993, chapter 224, article 5, section 46, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$73,290,000 1994

~~\$75,980,000~~ \$76,113,000 1995

The 1994 appropriation includes \$10,730,000 for 1993 and \$62,560,000 for 1994.

The 1995 appropriation includes \$11,040,000 for 1994 and ~~\$64,940,000~~ \$65,073,000 for 1995.

Sec. 12. Laws 1993, chapter 224, article 5, section 46, subdivision 3, is amended to read:

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,049,000 1994

~~\$37,390,000~~ \$37,456,000 1995

The 1994 appropriation includes \$5,279,000 for 1993 and \$30,720,000 for 1994.

The 1995 appropriation includes \$5,430,000 for 1994 and ~~\$31,960,000~~ \$32,026,000 for 1995.

Sec. 13. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

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

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1995. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~ the projected deficit in the appropriation for debt service aid, ~~and the amount of the transfer must be determined and the transfer made as of November 1, 1994 1993. The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994.~~ The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

Sec. 14. [CAPITAL EXPENDITURE HEALTH AND SAFETY LEVY LIMIT.]

For taxes payable in 1995 for revenue for the 1995-1996 school year, the total health and safety current year levy must not exceed \$32,660,000.

The commissioner of education shall establish criteria for prioritizing health and safety revenue needs so that the levy does not exceed this amount. The commissioner shall place high priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1996. The commissioner may request documentation as necessary from school districts for the purpose of establishing health and safety revenue priorities.

Sec. 15. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE.]

Notwithstanding the revenue limitation in Laws 1991, chapter 265, article 5, section 24, subdivision 4, for independent school district No. 319, Nashwaug-Keewatin, the full amount of authority for health and safety projects approved by the commissioner of education may be expended in fiscal year 1993, 1994, or 1995.

Sec. 16. [CASS LAKE; CAPITAL LOAN CONTRACT DEADLINE EXTENSION.]

Notwithstanding Minnesota Statutes 1993 Supplement, section 124.431, subdivision 1, for a capital loan granted to independent school district No. 115, Cass Lake, contracts must be entered into within 42 months after the date on which the loan is granted.

Sec. 17. [FLOODWOOD; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 124.243, subdivision 8, or any other law, independent school district No. 698, Floodwood, may permanently transfer any amount from its facilities account in its capital expenditure fund to its building construction fund.

Sec. 18. [INDEPENDENT SCHOOL DISTRICT NO. 518, WORTHINGTON.]

Subdivision 1. [BOND AUTHORITY.] To provide funds for the construction of facilities to meet the educational and residential needs of adolescents attending the Lakeview school for whom independent school district No. 518, Worthington, has the responsibility of providing services, independent school district No. 518, Worthington, may, by two-thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1994 and 1995 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1994 and 1995 may not exceed \$2,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Nobles. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law.

Subd. 2. [DEBT SERVICE.] Independent school district No. 518, Worthington, shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under subdivision 3.

Subd. 3. [LEVY AUTHORITY.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 518, Worthington, shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under subdivision 2. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [PLANNING GRANT.] For a grant to independent school district Nos. 325, Lakefield; 328, Sioux Valley; 330, Heron Lake-Okabena; 513, Brewster; and 516, Round Lake acting as a joint powers agreement:

<u>\$100,000</u>	<u>.....</u>	<u>1995</u>
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The grant is to cover costs associated with planning for cooperation and combination.

Subd. 3. [COLLABORATION PLANNING GRANT, EAST CENTRAL SCHOOL.] For a planning grant to independent school district No. 2580, East Central, to plan for a facility to house an area learning center and a family and children's service center for northern Pine county:

<u>\$50,000</u>	<u>.....</u>	<u>1994</u>
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This appropriation is available until June 30, 1995.

The department must provide technical assistance. The planning must address facility size and location, methods of financing, and the types of services that would be provided.

Sec. 20. [EFFECTIVE DATE.]

Section 4 (energy contracts) is effective July 1, 1994, and applies to contracts entered into on or after that date. Sections 13 (health safety aid) and 19 (appropriations) are effective the day following final enactment. Section 16 (Cass Lake capital loan) is effective retroactive to July 1, 1993.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1992, 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.~~

Sec. 2. Minnesota Statutes 1992, section 122.23, subdivision 6, is amended to read:

Subd. 6. ~~The state board~~ commissioner shall, upon receipt of a plat, forthwith examine it and approve, modify or reject it. ~~The state board~~ commissioner shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the ~~state board~~ commissioner modifies the plat, ~~the state board~~ commissioner shall also modify the boundaries of the proposed separate election districts. ~~Prior thereto the state board or a member thereof or The commissioner or assistant commissioner as designated by the state board shall conduct a hearing at the nearest county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. Such a hearing may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. The state board~~ commissioner shall endorse on the plat its action regarding any proposal for the disposition of the bonded debt of component districts and ~~its the~~ reasons for ~~its these~~ actions and within 60 days of the date of the receipt of the plat, ~~it the~~ commissioner shall return it to the county auditor who submitted it. ~~The state board~~ commissioner shall furnish a copy of that plat, and the supporting statement and its endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, ~~the state board~~ commissioner shall also furnish a copy of the modified plat, supporting statement, and its ~~any~~ endorsement to the auditor of such county.

Sec. 3. Minnesota Statutes 1992, section 122.23, subdivision 8, is amended to read:

Subd. 8. The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, shall, within 45 days of the approval of the plat by the ~~state board~~ commissioner, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated.

Sec. 4. Minnesota Statutes 1992, section 122.23, subdivision 10, is amended to read:

Subd. 10. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the ~~state board~~ commissioner in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters in each district or part of a district contained in the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the

whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters necessary to sign the petition and shall also be qualified to sign the petition. Failure to file the petition within 60 days of approval of the plat by the state board commissioner terminates the proceedings.

Sec. 5. Minnesota Statutes 1992, 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 July 1 of an ~~odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a~~ the year determined by the school board in the original resolution adopted under subdivision 2. 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. 6. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. [RETIREMENT INCENTIVES.] (a) A school board of a consolidated district may offer early retirement incentives to licensed and nonlicensed staff. The early retirement incentives that the board may offer are:

(1) the payment of employer pension plan contributions for a specified period of allowable service credit for district employees who have at least ten years of allowable service credit in the applicable pension plan under paragraph (b);

(2) an extended leave of absence for an eligible employee under section 125.60;

(3) severance payment incentives under paragraph (c);

(4) the employer payment of the premiums for continued health insurance coverage under paragraph (d).

These incentives may only be offered to employees who terminate active employment with the school district or who enter into an extended leave of absence as a result of the consolidation, whichever applies. The board may determine the staff to whom the incentives are offered. Unilateral implementation of this section by a school board is not an unfair labor practice under chapter 179A.

(b) An employee with at least ten years of allowable service credit in the applicable pension plan who is offered an early retirement incentive under paragraph (a), clause (1), may purchase up to five additional years of allowable service credit from the applicable pension plan. To do so, the former employee must pay the member contributions to the pension plan annually in a manner and in accord with a schedule specified by the executive director of the applicable fund. If the former employee makes the member contribution, the board shall make the applicable employer contribution. The salary used to determine these contributions is the salary of the person in the last year that the former employee was employed by the district. During the period of continuing member and employer contributions, the person is not considered to be an active member of the applicable pension plan, is not eligible for any active member disability or survivorship benefit coverage, and is not included in any postemployment termination benefit plan changes unless the applicable benefit legislation provides otherwise. Continued eligibility to purchase service credit under this paragraph expires if the person is subsequently employed during the service purchase period by a public employer with retirement coverage under a pension plan specified in section 356.30, subdivision 3.

(c) Severance payment incentives must conform with sections 465.72, 465.721, and 465.722.

(d) The board may offer a former employee with continued employer-paid health insurance coverage. Coverage may not extend beyond age 65 or the end of the first month in which the employee is eligible for employer-paid health insurance coverage from a new employer. For purposes of this subdivision, "employer-paid health insurance coverage" means medical, hospitalization, or health insurance coverage provided through an insurance company that is licensed to do business in the state and for which the employing unit pays more than one-half of the cost of the insurance premiums.

Sec. 7. Minnesota Statutes 1992, section 122.531, subdivision 9, is amended to read:

Subd. 9. [LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.] The school board of a newly created or enlarged district, to which part or all of a dissolved district was attached according to section 122.22 ~~or 122.23~~, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

Sec. 8. Minnesota Statutes 1992, section 122.533, is amended to read:

122.533 [EXPENSES OF TRANSITION.]

The newly elected board ~~of a newly created district pursuant to section 122.23 or the board~~ of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the ~~consolidation or~~ dissolution and attachment. Notwithstanding the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411, the district may, in the year the ~~consolidation or~~ dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

Sec. 9. [123.193] [LEVIES PROHIBITED.]

Unless specifically permitted in a provision authorizing a levy, a cooperative unit of government as defined in section 123.35, subdivision 19b, paragraph (c), clauses (1) to (4), is prohibited from making a property tax levy.

Sec. 10. Minnesota Statutes 1992, section 123.35, subdivision 19a, is amended 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 membership in any cooperative unit defined in subdivision 19b, paragraph (c),~~ to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year, or the time period 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 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, except that for a member of an education district organized under sections 122.91 to 122.95 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year.~~ At the option of the school board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(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. 11. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 19b. [WITHDRAWING FROM COOPERATIVE.] If a school district withdraws from a cooperative unit defined in paragraph (c), the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(a) The withdrawing district remains responsible for its share of bonded debt incurred by the cooperative unit according to subdivision 19a. The school district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets purchased with the proceeds of bonds and assignment of liabilities for outstanding bond obligations. If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute.

(b) The school district and cooperative unit may mutually agree, through a board resolution by each, to the terms and conditions of the distribution of assets and assignment of liabilities not acquired with the proceeds of bonds. If the cooperative unit and the school district cannot agree on the terms and conditions, the withdrawing district shall not receive any distribution of assets or assignment of liabilities not acquired with the proceeds of bonds.

(c) For the purposes of this section, a cooperative unit is:

(1) an education district organized under sections 122.91 to 122.95;

(2) a cooperative vocational center organized under section 123.351;

(3) an educational cooperative service unit organized under section 123.58; or

(4) a regional management information center organized under section 121.935; or

(5) an intermediate district organized under chapter 136D.

Sec. 12. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 21. [APPEAL TO COMMISSIONER.] If a cooperative unit as defined in subdivision 19b, paragraph (c), denies membership in the unit to a school district, the school district may appeal to the commissioner of education. The commissioner may require the cooperative unit to grant the district membership.

Sec. 13. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 22. [AID TO COOPERATIVE UNIT.] A school district may request the department of education to pay state aid for which the district is eligible under section 124.2727, 124.32, 124.573, 124.574, or 124.646 directly to a cooperative unit.

Sec. 14. Minnesota Statutes 1992, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are ~~designated established~~. Each unit, ~~should it become operational,~~ shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

- (i) ~~(1)~~ development regions one and two shall be combined to form a single ECSU;
- (ii) ~~(2)~~ development regions six east and six west shall be combined to form a single ECSU;
- (iii) ~~(3)~~ development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

~~(c) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.~~

~~(d) Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of the member districts of the education district or participants in the cooperative agreement are members of another ECSU.~~

~~(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.~~

~~(f) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.~~

Sec. 15. Minnesota Statutes 1992, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. A school district may belong to one or more ECSUs. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. However, ~~all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU.~~ All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU. ~~No planning or planning research decision of that ECSU shall be binding on these region 11 districts.~~ Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 16. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit ~~within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the commissioner and to each participating school district~~ an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of

school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise, subject to the review of the commissioner as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU ~~and the commissioner~~ by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

Sec. 17. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 7, is amended to read:

Subd. 7. [APPOINTMENT OF AN ADVISORY COUNCIL.] There shall be an advisory council selected to give advice and counsel to the ECSU board of directors. This council shall be composed of superintendents, central office personnel, principals, teachers, parents, and lay persons. Nonpublic school administrative units are encouraged to participate on the council to the extent allowed by law. ~~A plan detailing procedures for selection of membership in this council shall be submitted by the ECSU board of directors to the commissioner.~~

Sec. 18. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 8, is amended to read:

Subd. 8. [EDUCATIONAL PROGRAMS AND SERVICES.] ~~Pursuant to subdivision 6, and rules of the state board of education, The board of directors of each operational ECSU shall submit annually a plan to the public school districts and nonpublic school administrative units within the ECSU, the nonpublic school administrative units, and the commissioner. The plan shall identify the programs and services which are suggested for implementation by the ECSU during the following school year and shall contain components of long range planning determined by the ECSU in cooperation with the commissioner and other appropriate agencies. The commissioner may review and recommend modification of the proposed plan and conduct ongoing program reviews. These programs and services may include, but are not limited to, the following areas:~~

- (a) Administrative services and purchasing
- (b) Curriculum development
- (c) Data processing

- (d) Educational television
- (e) Evaluation and research
- (f) In-service training
- (g) Media centers
- (h) Publication and dissemination of materials
- (i) Pupil personnel services
- (j) Regional planning, joint use of facilities, and flexible and year-round school scheduling
- (k) Secondary, post-secondary, community, adult, and adult vocational education
- (l) Individualized instruction and services, including services for students with special talents and special needs
- (m) Teacher personnel services
- (n) Vocational rehabilitation
- (o) Health, diagnostic, and child development services and centers
- (p) Leadership or direction in early childhood and family education
- (q) Community services
- (r) Shared time programs.

Sec. 19. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit ~~agrees to assume~~ assumes under section 123.35, subdivision 19b.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. ~~Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the commissioner.~~ The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal ~~at least six months prior to June 30 by February 1 of the same year.~~ Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) ~~Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4, the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.~~

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the commissioner in accordance with rules adopted by the state board of education pursuant to chapter 14. The commissioner shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(f) (e) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 20. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, ~~education district, or secondary vocational cooperative~~ for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, ~~education district, or secondary vocational cooperative~~ recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c,~~ minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c.~~ For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c,~~ shall not include any amount levied pursuant to sections 124.226, subdivision 9, 124.912, subdivisions 2, 3, and 5, or a successor provision only for those districts affected, 124.916, subdivisions 1 and 2, 124.918, subdivision 6, and 124A.03, subdivision 2; and Laws 1992, chapter 499, articles 1, section 20, and 6, section 36. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 21. [124.2726] [CONSOLIDATION TRANSITION REVENUE.]

Subdivision 1. [ELIGIBILITY AND USE.] A school district that has been reorganized under section 122.23 and has not received revenue under section 124.2725, is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must initially be used for the payment of district costs for the early retirement incentives granted by the district under section 122.23, subdivision 20. Any revenue under subdivision 2 remaining after the payment of district costs for the early retirement incentives must be used to reduce operating debt as defined in section 121.915. Any additional aid remaining after the reduction of operating debt must be deposited in the district's general fund.

Subd. 2. [AID.] Consolidation transition aid is equal to \$200 times the number of actual pupil units in the newly created district in the year of consolidation and \$100 times the number of actual pupil units in the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000.

Subd. 3. [LEVY.] If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 122.23, subdivision 20, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. [NEW DISTRICTS.] If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously reorganized shall be counted for aid purposes under subdivision 2. If two districts consolidate and both districts received aid under subdivision 2 within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district shall be used to determine aid under subdivision 2.

Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. [INTERMEDIATE DISTRICT 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-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) 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. 23. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] (a) For fiscal year 1995, for a district that is not a member of an intermediate district under chapter 136D, a district's cooperation revenue is equal to the greater greatest of \$50 times the actual pupil units, the cooperation formula allowance times the actual fiscal year 1994 pupil units, or \$25,000.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (6):

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of the amount of education district revenue certified to the department of education under Minnesota Statutes 1992, section 124.2721, subdivision 2, for fiscal year 1994 by the education district to which the district belonged in fiscal year 1994;

(3) \$20 per pupil for a district that belonged to a secondary vocational cooperative in fiscal year 1994 that received revenue under Minnesota Statutes 1992, section 124.575, in fiscal year 1994;

(4) the per pupil interdistrict cooperation revenue the district received under section 124.912, subdivision 4, in fiscal year 1994;

(5) \$50 per pupil for a district that received special cooperation revenue under section 124.912, subdivision 5, in fiscal year 1994; and

(6) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994.

(b) For fiscal year 1996 and thereafter, for a district that is not a member of an intermediate district established under chapter 136D, district cooperation revenue is the greater of the district cooperation revenue received for fiscal year 1995, or:

(1) \$55 times the actual pupil units for fiscal year 1996;

(2) \$59 times the actual pupil units for fiscal year 1997;

(3) \$63 times the actual pupil units for fiscal year 1998;

(4) \$67 times the actual pupil units for fiscal year 1999, and thereafter.

(c) For fiscal year 1995 and thereafter, for a district that is a member of an intermediate district established under chapter 136D, district cooperation revenue is equal to the sum of the amounts in paragraph (a), clauses (1) and (6) times the fiscal year 1994 pupil units.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 5, is amended to read:

Subd. 5. [INTERACTIVE TELEVISION.] (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, ~~and or~~ or in Carver or Scott county, may apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or \$25,000 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 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV 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 school year ending in the year prior to the year the levy is certified; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

Sec. 25. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 26. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 27. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 28. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 29. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 30. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 31. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of the office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 32. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 33. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 34. Laws 1993, chapter 224, article 6, section 30, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

~~\$3,516,000~~ \$3,848,000 1994

~~\$3,979,000~~ \$3,647,000 1995

The 1994 appropriation includes \$591,000 for 1993 and ~~\$2,925,000~~ \$3,257,000 for 1994.

The 1995 appropriation includes ~~\$516,000~~ \$574,000 for 1994 and ~~\$3,463,000~~ \$3,073,000 for 1995.

Sec. 35. Laws 1993, chapter 224, article 6, section 30, subdivision 6, is amended to read:

Subd. 6. [DISTRICT COOPERATION REVENUE.] For cooperation revenue according to section 16 124.2727:

~~\$7,960,000~~ \$9,954,000 1995

The 1995 appropriation is based on an entitlement of ~~\$9,364,000~~ \$11,710,000 for fiscal year 1995.

Sec. 36. Laws 1993, chapter 224, article 7, section 28, subdivision 9, is amended to read:

Subd. 9. [ITV LEVY AID.] For ITV levy aid under section 24 124.91, subdivision 5:

~~\$2,681,000~~ \$2,870,000 1995

The appropriation anticipates an entitlement of ~~\$3,154,200~~ \$3,376,000 for fiscal year 1995.

Sec. 37. [VERDI DEBT.]

Subdivision 1. [REDISTRIBUTION OF VERDI ASSETS AND LIABILITIES.] The commissioner of education shall revise the initial order for the distribution of assets and liabilities issued under section 122.22, subdivision 20, in the dissolution of former independent school district No. 408, Verdi. The revised order shall specify that an amount equal to the sum of clauses (1) and (2) shall be distributed to independent school districts No. 404, Lake Benton, and No.

583, Pipestone, in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

(1) the reorganization operating debt in the former Verdi district as calculated under section 121.915; and

(2) the cost of removing the two underground storage tanks from the school building site in the former Verdi district minus the sum of the proceeds from the sale of the site and building and reimbursements related to removing the tanks.

Subd. 2. [DISTRICTS MAY LEVY FOR DEBT.] The Lake Benton and Pipestone school districts may levy according to section 122.531 for the amount calculated under subdivision 1. The districts may direct the county auditors to spread the levy only upon property within the boundaries of the former Verdi school district.

Subd. 3. [AID ADJUSTMENT.] The commissioner shall subtract an amount equal to the overpayment of state aids to the former Verdi district from the Lake Benton and Pipestone school districts in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

Subd. 4. [AID TRANSFER.] By December 31, 1995, the Pipestone school district shall transfer to the Lake Benton school district any portion of the amount calculated under subdivision 1 that is attributable to the Pipestone district and that has been paid by the Lake Benton district.

Sec. 38. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school districts No. 427, Winsted, and No. 880, Howard Lake-Waverly, is fiscal year 1995.

Sec. 39. [TRANSITION PROCESS.]

The commissioner of education, in consultation with the Minnesota school boards association and the intermediate district boards, shall determine a process for making a transition from the intermediate district board structure in place on July 1, 1994, to an elected board under sections 25 (136D.22) to 33 (136D.82) for intermediate school districts No. 287, No. 916, and No. 917. The elected boards must be operational by July 1, 1996. The commissioner may recommend to the 1995 legislature additional legislation required to effectuate the transition from the current intermediate board structure to an elected board structure for intermediate school districts under sections 25 (136D.22) to 33 (136D.82).

Sec. 40. [FISCAL YEAR 1995 COOPERATION AID.]

Notwithstanding Minnesota Statutes 1992, section 124.2727, subdivisions 6a, 6b, and 6c, for fiscal year 1995, a district's cooperation aid shall be the difference between its cooperation revenue under section 23 (124.2727, subdivision 6a) and its cooperation levy under Minnesota Statutes 1992, section 124.2727, subdivision 6b. The district cooperation levy for a district that was not authorized to certify a levy in 1993 for taxes payable in 1994 under section 124.2727, subdivision 6b, shall equal zero.

Sec. 41. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [CONSOLIDATION AID.] For consolidation aid according to section 124.2726:

<u>\$430,000</u>	<u>.....</u>	<u>1995</u>
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The appropriation is based on an entitlement of \$505,000 for fiscal year 1995.

Subd. 3. [TRANSITION AID FOR INFORMATION SUPPORT.] For information reporting support and software for ESV information systems:

<u>\$900,000</u>	<u>.....</u>	<u>1995</u>
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This appropriation is to ensure an orderly transition from a state supported system to a system where school districts purchase needed services. The department must support local school districts in preparing information required by the state. Data reported to the state must meet state reporting standards. The amount of this appropriation shall be phased out in the 1996-1997 biennium. Of this amount, \$150,000 is for additional INTERNET support in school districts and \$300,000 is for ESV system software support.

Sec. 42. [REPEALER.]

(a) Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.82, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivision 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

(b) Minnesota Statutes 1992, sections 136D.22, subdivision 1; 136D.72, subdivisions 1, 2, and 5; and 136D.82, subdivision 1, are repealed.

Sec. 43. [EFFECTIVE DATE.]

(a) Section 37 (Verdi Debt) is effective the day following final enactment.

(b) Sections 25 (136D.22) to 33 (136D.82), and section 42, paragraph (b) (Repealer), are effective July 1, 1996.

ARTICLE 7

COMMITMENT TO EXCELLENCE

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school ninth grade in the 1996-1997 school year. The state board may continue its proceedings to adopt a graduation rule but must not take final action under sections 14.131 to 14.20 to adopt the rule until after the board reports on the content of the graduation rule to the legislature during the 1995 legislative session and the state board is specifically authorized in law to adopt the rule. 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 this rule.

(b) The content of the graduation rule must reflect the importance of using valid and reliable assessment instruments that have been developed according to the most current version of the standards for educational testing for granting or denying a student a high school diploma.

(c) The content of the graduation rule must also differentiate between minimum competencies and rigorous standards. The rule must:

- (1) establish minimum competencies for the purpose of granting or denying a student a high school diploma;
- (2) include rigorous standards, which are standards to achieve but not presently require as a condition of high school graduation; and
- (3) periodically review and report on the assessment process with the expectation of expanding high school graduation requirements and permitting decisions about whether to grant or deny a student a high school diploma to attach to more rigorous standards.

(d) The state board shall include in the graduation rule a requirement that the amended graduation standards be implemented in stages. Graduation requirements contained in the graduation rule must use the information from the graduation rule pilot sites to determine whether the assessment instruments are valid and reliable and whether appropriate minimum competencies and rigorous standards have been established, as anticipated under paragraphs (b) and (c). The state board shall provide a timely report to the legislature on the findings of the pilot sites and inform the legislature about:

(1) what financial resources are required to implement graduation outcomes statewide, including the specific costs for each stage of implementation; and

(2) what educational and organizational changes are necessary in the kindergarten through grade 12 and post-secondary systems to successfully integrate the state's high school graduation requirements and the entrance requirements of the state's post-secondary institutions.

(e) After receiving specific authority in law to adopt the rule, the state board shall report to the legislature annually by January 15 on its progress in implementing the remaining graduation requirements until such time as all the graduation requirements are implemented.

Sec. 2. Minnesota Statutes 1993 Supplement, section 123.951, is amended to read:

123.951 [SCHOOL SITE DECISION-MAKING AGREEMENT.]

(a) A school board may enter into an agreement with a school site decision-making team concerning the governance, management, or control of any school in the district. Upon a written request from a proposed school site decision-making team, an initial school site decision-making team shall be appointed by the school board and may include the school principal, representatives of teachers ~~in~~ at the school site selected by the exclusive bargaining representative, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, or others determined appropriate by the board. The school site decision-making team shall include the school principal or other person having general control and supervision of the school.

(b) School site decision-making agreements must delegate powers and duties to site teams and involve staff members, students as appropriate, and parents in decision making.

(c) An agreement may include:

(1) a mechanism to implement flexible support systems for ~~improvement in~~ improving student achievement of education outcomes;

(2) a decision-making structure that allows teachers to identify instructional problems and control and apply the resources needed to solve them;

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(4) a mechanism to implement parental involvement programs under section 126.69 and to provide for effective parental communication and feedback on this involvement at the site level;

(5) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(6) a provision that would allow teachers to choose the principal or other person having general control;

(7) direct contact with other social service providers;

(8) in-service training for site decision-making team members for financial management of school sites; ~~and~~

(9) a structure for implementing alternative staffing patterns under section 123.953; and

(10) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (5) and (6).

(d) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 3. [123.953] [ALTERNATIVE STAFFING PATTERNS.]

Subdivision 1. [AUTHORIZATION; PURPOSE; GOAL.] (a) Schools and school districts are strongly encouraged to create opportunities for teachers, educational specialists, school administrators, student teachers, teacher interns or residents, clerical aides and instructional assistants, and other qualified adults to organize alternative staffing patterns, provide lead teachers with additional preparation time, and offer students more adult assistance.

Subd. 2. [SCHOOL SITE DECISION-MAKING TEAM REQUIRED.] Before a school or school district organizes an alternative staffing pattern under this section, it must enter into a school site decision-making agreement delegating governance, management, or control to a school site team under section 123.951.

Subd. 3. [CONTINUING INSTRUCTIONAL RESPONSIBILITIES.] School districts shall not achieve educational accountability or operational economy by reducing the total number of fully certified staff responsible for educating pupils except to the extent that:

- (1) certified staff employed by the district elect to retire from service with the district;
- (2) certified staff employed by the district seek employment with another employer;
- (3) there is a lack of pupils;
- (4) classes are merged as a result of consolidating districts;
- (5) financial limitations require a reduction in licensed staff;
- (6) the district elects to cooperate with another unit of government;
- (7) there is a significant increase in the number of students of limited English proficiency; or
- (8) an existing teaching position is discontinued.

Subd. 4. [CALCULATING PUPIL-TEACHER RATIOS.] In calculating pupil-teacher ratios in elementary schools, school boards shall also indicate the number of other appropriately skilled or trained adults under this section who work with the classroom teacher to provide the instructional program to students. School boards shall not include in the calculation the education assistants who assist a licensed special education teacher in providing services to students under section 120.17.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 3, is amended to read:

Subd. 3. [INSTRUCTION CONTACT TIME.] Instruction or instructional support may be provided by a primary instructor, by a team of instructors, or by teacher resident supervised by a primary instructor. The district must maximize instructor to learner average instructional contact time qualified adult, including a student's classroom teacher, by another classroom teacher, by a team of classroom teachers, by a teacher resident under section 125.230, by a teacher intern who has received an initial teaching license and is enrolled in a master's level education program, or by an education assistant or aide directed by a licensed teacher. A qualified adult does not include a teacher for whom categorical aids are received under section 124.273 or 124.32 or supervisory and support personnel. A qualified adult also does not include an educational assistant who assists in providing a service or program under section 120.17.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] Revenue shall be used to reduce and maintain the district's instructor adult to learner student ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available. The revenue may be used to prepare and use an individualized learning plan for each learner student. A district must not increase the district wide instructor-learner adult-student ratios in other grades as a result of reducing instructor-learner adult-student ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL REVENUE USE.] If the school board of a school district determines that the district has achieved and is maintaining the ~~instructor-learner~~ adult-student ratios specified in subdivision 4 and is using individualized learning plans, the school board may use the revenue to purchase material and services or provide staff development needed for reduced ~~instructor-learner~~ adult-student ratios. If additional revenue remains, the district must use the revenue to improve program offerings, including programs provided through interactive television, throughout the district or other general education purposes.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT; AND PARENTAL INVOLVEMENT REVENUE.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to one percent in fiscal year 1994, ~~two percent in fiscal year 1995~~, and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only to ~~provide staff time for in-service education for programs under section 126.77, subdivision 2, challenging instructional activities and experiences or for staff development programs, for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences under section 126.70, subdivisions 1 and 2a.~~ provide staff development programs, for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences under section 126.70, subdivisions 1 and 2a. Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to develop flexible staffing patterns under section 123.953 that ensure educational accountability and operational economy or to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. ~~A district using the remaining 25 percent of the revenue to develop alternative staffing patterns must use at least a portion of the revenue to provide planning time for organizing alternative staffing patterns, provide teachers with additional preparation time, and train nonlicensed staff.~~ A grant may be used for any purpose authorized under section 126.70 or 126.77, subdivision 2, and determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

(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 126.69. Parental involvement programs may include career teacher programs, programs promoting parental involvement in the PER process, coordination of volunteer services, participation in developing, implementing, or evaluating school desegregation/integration plans, and programs designed to encourage community involvement.

Sec. 8. Minnesota Statutes 1993 Supplement, section 124A.292, subdivision 3, is amended to read:

Subd. 3. [STAFF DEVELOPMENT LEVY.] A district's levy equals its revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified by the district's actual pupil units for the school year to which the levy is attributable, to

(2) the equalizing factor for the school year to which the levy is attributable.

Sec. 9. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 3, is amended to read:

Subd. 3. [PROGRAM COMPONENTS.] In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;
- (3) ongoing peer coaching and assessment;
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and

(5) ~~involvement of resource persons from higher~~ collaboration with one or more teacher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.

A teaching resident ~~shall not be given resident's~~ direct classroom supervision responsibilities ~~that exceed~~ shall be between 80 and 90 percent of the instructional time required of a full-time equivalent teacher in the district. During the ~~remaining~~ time, a teaching resident does not supervise a class, the resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team. Examples of development activities include observing other teachers, sharing experiences with other teaching residents, and professional meetings and workshops.

Sec. 10. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT CONDITIONS.] A school district shall pay a teaching resident a salary equal to 75 percent of the ~~statewide average~~ salary of a first-year teacher with a bachelor's degree in the district. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Sec. 11. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 6, is amended to read:

Subd. 6. [LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.] A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position: unless:

(1) there is no teacher available who is properly licensed to fill the vacancy, who has been placed on unrequested leave of absence in the district, and who wishes to be reinstated; and

(2) the district's collective bargaining agreement includes a memorandum of understanding that permits teaching residents to fill an existing teaching position.

Sec. 12. Minnesota Statutes 1993 Supplement, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools ~~whose circumstances make state payment advisable.~~ The commissioner shall adopt a schedule for fee subsidies that will pay a portion of the fee for all students and that may allow payment of the entire fee for low-income families, as defined by the commissioner. The commissioner may also determine the circumstances under which the fee is subsidized, in whole or in part. The commissioner shall determine procedures for state payments of fees.

Sec. 13. Minnesota Statutes 1992, section 126.69, subdivision 1, is amended to read:

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;

(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; and

(6) encourage parents to help in promoting school desegregation/integration.

Sec. 14. Minnesota Statutes 1992, section 126.69, subdivision 3, is amended to read:

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, participants in before and after school programs for school-age children, tutors, and aides;
- (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; and
- (13) opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans.

Sec. 15. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school board shall use the revenue authorized in section 124A.29 for in-service education for programs under section 126.77, subdivision 2, or for staff development ~~plan plans~~ under this ~~subdivision section~~. The board must establish a staff development committee to develop the plan, advise a site decision-making team about the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee must be teachers representing various grade levels and, subject areas, and special education. The advisory committee must also include parents and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 16. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [STAFF DEVELOPMENT OUTCOMES.] (a) The staff development committee shall adopt a staff development plan for ~~the improvement of~~ improving student achievement of education outcomes. The plan must be consistent with education outcomes determined by the school board. The plan shall include the following outcomes:

- (1) foster readiness for learning for all pupils;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, representatives of children with disabilities, and community members who generally reflect the cultural composition of the school to address pupils' needs;

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

(4) design and develop programs containing various instructional opportunities and accommodations that recognize pupils' individual needs and utilize family and community resources;

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

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

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways;

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; ~~and~~

(9) teach elementary and secondary staff to effectively meet the needs of children with disabilities within the regular classroom setting;

(10) train administration and other school leadership personnel in the statutory and regulatory requirements and methods to assist elementary and secondary staff and parents to meet children's needs;

(11) teach administration, instructional, and support personnel to provide a comprehensive and integrated education program for meeting the individual needs of students; and

(12) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education plans adopted by school districts and approved by the state.

(b) If a school board approves a plan to accomplish any of the purposes listed in paragraph (a), ~~it must also provide the plan must include staff development for~~ challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents.

Sec. 17. Laws 1993, chapter 224, article 7, section 28, subdivision 3, is amended to read:

Subd. 3. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:

\$300,000	1994
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\$300,000	1995
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\$750,000

Sec. 18. Laws 1993, chapter 224, article 7, section 28, subdivision 4, is amended to read:

Subd. 4. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000	1994
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\$1,500,000	1995
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This appropriation is not contingent upon receiving funding from the National Science Foundation. Any balance remaining in the first year does not cancel but is available in the second year.

Sec. 19. Laws 1993, chapter 224, article 7, section 28, subdivision 11, is amended to read:

Subd. 11. [SCHOOL RESTRUCTURING GRANTS.] For school restructuring grants under section 22:

\$500,000 1995 1994

This appropriation ~~does not cancel~~ is available until June 30, 1995.

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models for expenses incurred in fiscal year 1994 and an additional \$100,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 20. [TEACHER PREPARATION CURRICULUM.]

(a) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching, with the assistance of organizations representing diverse cultures, shall decide whether or not to include in the curriculum for preparing all beginning social studies teachers a study of anthropology that encompasses a study of the indigenous people of the midwest, and a study of history of the indigenous people that encompasses a study of the Minnesota area in precolonial times through the twentieth century.

(b) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching shall ensure that the human relations curriculum of all teacher preparation programs includes components of American Indian language, history, and culture.

Sec. 21. [REPORT ON CERTIFICATION AND COLLABORATION.]

The state board of teaching, after consulting with representatives of teachers, school board members, representatives of communities of color, and education assistants working in kindergarten through grade 12 public education, shall prepare a report by January 15, 1995, for the education committees of the legislature that analyzes the advantages and disadvantages of certifying or licensing education assistants who work in kindergarten through grade 12 public education and the obstacles that members of minority communities might face in obtaining a license or certificate.

Sec. 22. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY.] For support for the activities of the coalition for education reform and accountability as established in Laws 1993, chapter 224, article 1, section 35:

\$50,000 1995

Sec. 23. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 2, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 2 (123.951); 3 (123.953); 4, 5, and 6 (124A.225, subdivisions 3, 4, and 5); 7 (124A.29, subdivision 1); 13 and 14 (126.69, subdivisions 1 and 3); and 20 (teacher preparation curriculum), are effective the day following final enactment.

ARTICLE 8

OTHER PROGRAMS

Section 1. Minnesota Statutes 1993 Supplement, section 120.062, subdivision 5, is amended to read:

Subd. 5. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the commissioner of education.

- (b) An application to transfer may be submitted at any time for enrollment beginning at any time.
- (c) The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.
- (d) The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.
- (e) Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.
- (f) If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with state board rules with respect to the school or program for which application was made.
- (g) If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident district, unless the school boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the school boards of the resident and nonresident district agree otherwise.
- (h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.
- (i) A pupil enrolled in a nonresident district under this subdivision is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.
- (j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.
- (k) A district that has a desegregation plan approved by the state board of education must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.

(l) Notwithstanding paragraphs (f) and (k) of this section, a district with a desegregation plan must allow a pupil to apply to enroll in a nonresident district with a desegregation plan. A district with a desegregation plan may refuse to enroll a nonresident pupil who resides in a district with a desegregation plan only under subdivision 3.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7d, is amended to read:

Subd. 7d. ~~[DESEGREGATION DESEGREGATION/INTEGRATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.]~~ (a) The state board may make rules relating to ~~desegregation desegregation/integration~~, inclusive education, and licensure of school personnel not licensed by the board of teaching.

(b) In adopting a rule related to school desegregation/integration, the state board shall address the need for equal educational opportunities for all students. The state board shall define equal educational opportunities to be consistent with the content of the high school graduation rule under section 121.11, subdivision 7c, including the minimum competencies the board establishes for the purpose of granting or denying a student a high school diploma. The state board must not take final action under sections 14.131 to 14.20 to adopt the rule until after it presents the rule to the education committees of the legislature.

(c) Any interdistrict transfers under the rule must advance the requirement to provide equal educational opportunities for all students.

Sec. 3. Minnesota Statutes 1992, section 121.912, subdivision 5, is amended to read:

Subd. 5. [ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.] A school district may maintain in a designated for certain severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council on uniform financial accounting and reporting standards. ~~If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the designated for certain severance pay account to the reserved fund balance account.~~

Sec. 4. [121.951] [VOLUNTARY INTERDISTRICT COORDINATING OFFICE.]

Subdivision 1. [ESTABLISHMENT.] A voluntary interdistrict coordinating office (VICO) is established to coordinate metropolitan-wide school desegregation/integration in the seven-county metropolitan area and help school districts implement school desegregation/integration plans that provide equal educational opportunities for all students. VICO is charged with:

- (1) coordinating and administering student transfers and voluntary teacher exchange programs;
- (2) coordinating and disseminating information about available schools and programs in districts with desegregation/integration plans;
- (3) assisting districts in recruiting, counseling, and placing students who transfer between districts and teachers who participate in teacher exchanges;
- (4) assisting districts with interdistrict and intradistrict transporting of students;
- (5) assisting districts in planning and implementing new magnet schools and programs;
- (6) collecting data and reporting annually to the districts in the seven-county metropolitan area and the legislature about the districts' efforts to implement desegregation/integration plans, including information about student transfers, teacher exchanges, efforts to recruit, counsel, and place student transfers, student placements and modifications in placements, and student suspensions and expulsions related to student transfers, which shall be used to indicate nondiscriminatory treatment, evaluate the efficacy of districts' efforts, and identify areas for special intervention or additional resources;
- (7) periodically consulting with the metropolitan council under section 473.1455 to ensure that VICO goals and programs recognize and encompass, to the extent possible, the educational, physical, social, economic, and infrastructure needs of the metropolitan area;
- (8) keeping accurate records of all teacher exchanges and the status of the exchanges;
- (9) assisting in staff development and in-service training activities in order to prepare staff to function in integrated settings; and
- (10) performing other activities as are necessary and consistent with this act.

Subd. 2. [VICO ADVISORY BOARD.] (a) The VICO shall have an advisory board with the following voting members:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the American Indian affairs council, the Asian-Pacific Minnesotans council, the Black Minnesotans council, and the Spanish-speaking council.

(b) A designee of the state board of education shall be an ex officio nonvoting member of the advisory board.

(c) The VICO advisory board may solicit comment from teachers, parents, and interested community organizations.

Subd. 3. [ADVISORY BOARD MEETINGS.] The VICO advisory board shall determine the time and place of and procedures for its meetings. The VICO director may confirm notice of the meetings.

Subd. 4. [BOARD CHAIRS.] (a) The VICO advisory board shall elect two co-chairs from its members to serve for a period of one year.

(b) The VICO director shall keep, or supervise the keeping of, the minutes of the VICO advisory board meetings, be responsible for giving all appropriate notices, and act as the official custodian of VICO records.

Subd. 5. [STAFF.] (a) The VICO advisory board shall employ a director who shall report directly to the VICO.

(b) The director shall be responsible for VICO coordinating efforts and administrative duties.

(c) The director shall employ staff as necessary to carry out VICO duties.

(d) The director shall be an ex officio nonvoting member of the VICO advisory board.

(e) The VICO may select a director of student counseling and recruitment who shall have the primary responsibility for overseeing student recruitment and counseling and shall report to the director.

Subd. 6. [FISCAL AUTHORITY.] The VICO may, in its discretion, contract with any school district that is a VICO member to act as the VICO fiscal agent, or to provide other fiscal services as may be approved by the VICO.

Subd. 7. [PROCEDURES.] The VICO advisory board and its staff shall develop procedures to implement the VICO charges under subdivision 1.

Subd. 8. [STUDENT RECRUITMENT AND COUNSELING.] The VICO shall oversee all student recruitment and counseling activities related to student transfers to effect metropolitan-wide school desegregation/integration. The VICO shall:

(1) process all applications for student transfers to effect school desegregation/integration;

(2) conduct and coordinate recruitment drives with the metropolitan school districts;

(3) conduct and coordinate advertising campaigns relating to the student transfers to effect school desegregation/integration;

(4) coordinate the development and dissemination of information about the schools and programs available in each of the metropolitan school districts;

(5) keep accurate records of all student transfers and the status of these transfers; and

(6) collect and analyze student data for the annual VICO reports required under subdivision 1, clause (6).

Sec. 5. Minnesota Statutes 1992, section 124.278, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:

(1) a minority enrollment of more than ten percent; or

(2) a desegregation/integration plan approved by the state board of education to provide equal educational opportunities for all students.

Sec. 6. [124.279] [EMPLOYMENT INCENTIVE.]

Subdivision 1. [ACTION TO EMPLOY QUALIFIED PEOPLE OF COLOR AND WOMEN AND PEOPLE WITH DISABILITIES.] The school board of a school district is encouraged to take action as necessary to increase the percentage of its licensed secondary school principals, superintendents, and assistant superintendents who are people of color, women, or people with disabilities.

Subd. 2. [REIMBURSEMENT.] A district that employs a person of color, a woman, or a person with disabilities for one school year as a licensed secondary school principal, a superintendent, or an assistant superintendent is eligible to receive a one-time reimbursement equal to \$5,000. The department of education shall establish procedures for a district to obtain the reimbursement. Reimbursements shall be limited to 20 persons per school year and are available to a district at the end of the school year during which the person is first employed by the district. A district must submit a statement to the department by the April 15 preceding the year for which the district is eligible to receive the reimbursement indicating that it will employ for at least one school year a person of color, a woman, or a person with disabilities as a secondary school principal, a superintendent, or assistant superintendent. The department shall waive the April 15 deadline for the 1994-1995 school year.

Subd. 3. [PERSONS OF COLOR.] For the purposes of this section, a person of color means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.6469, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REIMBURSEMENT.] (a) State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.

(b) In addition to paragraph (a), each school year the state shall reimburse public schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 32 and 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 8. Minnesota Statutes 1992, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which at least 40 32 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 9. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 9. [ABATEMENT LEVY.] Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, sections 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of:

(1) the amount of the net revenue loss determined under section 124.214, subdivision 2, that is not paid in state aid including any prorated aid amounts;

(2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and

(3) an amount equal to any interest paid on abatement refunds.

(4) Each year, a district may levy up to its maximum abatement levy for the current year and levy for any remaining abatement loss not included in the abatement levy during the preceding and second preceding year.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner of education and each school district located within the county.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.914, subdivision 4, is amended to read:

Subd. 4. [1992 OPERATING DEBT.] (a) Each year For taxes payable for calendar year 2003 and earlier, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount shall be reduced by referendum revenue authorized under section 124A.03 pursuant to the plan filed under section 121.917. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 11. Minnesota Statutes 1993 Supplement, section 125.05, subdivision 1a, is amended 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 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 if that person seeks to qualify for granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or post-secondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The board of teaching shall grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

Sec. 12. Minnesota Statutes 1992, section 125.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS FOR REVOCATION.] The board of teaching or the state board of education, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the board employing a teacher, or of a teacher organization, or of any other interested person, which complaint shall specify the nature and character of the charges, suspend or revoke such teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or

- (5) Fraud or misrepresentation in obtaining a license.

For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 13. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 9, is amended to read:

Subd. 9. [CRITERIA.] The department of education shall evaluate proposals using the following criteria:

- (1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;
- (2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;
- (3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and
- (4) evidence of adequate financial support from employing and receiving institutions; and
- (5) evidence that collaboration between post-secondary educators and early childhood through grade 12 educators will enable school districts to better provide equal educational opportunities for all students.

Sec. 14. Minnesota Statutes 1993 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 requiring ~~successful completion of an examination of a person to successfully complete a skills examination~~ in reading, writing, and mathematics ~~before being admitted to a teacher preparation program as a requirement for initial teacher licensure~~. Such rules shall require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board shall adopt rules to approve teacher preparation programs.

(d) The board shall provide the leadership and shall adopt rules 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 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) The board shall adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board shall grant licenses to interns and to candidates for initial licenses.

(h) The board shall design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) 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. The board shall not establish any expiration date for application for life licenses.

(k) 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 technical colleges.

Sec. 15. Minnesota Statutes 1992, section 125.188, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the post-secondary teacher preparation program as a means to acquire an entrance license is established. The program may be offered in any instructional field.

(b) To participate in the alternative preparation program, the candidate must:

- (1) have a bachelor's degree;
- (2) pass an examination of skills in reading, writing, and mathematics as required by section 125.05;
- (3) have been offered a job to teach in a school district, group of districts, or an education district approved by the board of teaching to offer an alternative preparation licensure program;
- (4)(i) have a college major in the subject area to be taught; or
- (ii) have five years of experience in a field related to the subject to be taught; and
- (5) document successful experiences working with children.

(c) An alternative preparation license is of one year duration and is issued by the board of teaching to participants on admission to the alternative preparation program.

(d) The board of teaching shall ensure that the purposes of this program enhance the school desegregation/integration policies adopted by the state.

Sec. 16. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 1, is amended to read:

Subdivision 1. [TEACHER MENTORING PROGRAMS.] School districts are encouraged to develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers with special needs, or experienced teachers in need of peer coaching.

Sec. 17. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 4, is amended to read:

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color.

Sec. 18. Minnesota Statutes 1993 Supplement, section 125.623, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, including educational paraprofessionals, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 19. Minnesota Statutes 1993 Supplement, section 125.706, is amended to read:

125.706 [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of classroom instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

Sec. 20. Minnesota Statutes 1993 Supplement, section 127.46, is amended to read:

127.46 [SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual, religious, and racial harassment and sexual, religious, and racial 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 throughout each school building, given to each district employee and independent contractor at the time of entering into or amending the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

Sec. 21. Minnesota Statutes 1992, section 179A.07, subdivision 6, is amended to read:

Subd. 6. [TIME OFF.] A public employer must afford reasonable time off to elected officers or appointed representatives of an exclusive representative of teachers in another Minnesota school district or of the exclusive representative of the employees of the public employer to conduct the duties of the exclusive representative, and must, upon request, provide for leaves of absence to elected or appointed officials of an exclusive representative of teachers in another Minnesota school district or of the exclusive representative of the employees of the public employer.

Sec. 22. Minnesota Statutes 1993 Supplement, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN TAXING DISTRICTS.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, ~~or township or school district~~ for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city, ~~or township or school district~~ may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. ~~The total tax levy authorized for a school district by this section may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.~~

~~Except for school districts,~~ The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 23. [473.1455] [COMPREHENSIVE POLICY PLAN FOR SCHOOL DESEGREGATION/INTEGRATION.]

After appropriate study and public hearings as may be necessary, the council, in collaboration with the voluntary interdistrict coordinating office (VICO) under section 121.951, shall adopt a long-range comprehensive policy plan for metropolitan area school desegregation/integration that contributes to the racial and economic desegregation/integration of the metropolitan area. The plan, which the council may amend or revise from time to time, shall recognize and encompass the school desegregation/integration policy requirements contained in rule and the charges to the VICO. It shall also contain mechanisms by which state and local agencies that set and administer policies affecting transportation, housing, and economic development in the metropolitan area can collaborate with metropolitan school districts to effect societal desegregation/integration.

Sec. 24. Laws 1993, chapter 224, article 8, section 20, subdivision 2, is amended to read:

Subd. 2. [FELLOWSHIP GRANTS.] (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000	.....	1994
\$100,000	.....	1995
\$150,000	.....	1995

(b) A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 25. Laws 1993, chapter 224, article 8, section 22, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$200,000	.....	1994
\$200,000 \$400,000	.....	1995

\$200,000 in 1995 is for reimbursements under section 124.6469, subdivision 3, paragraph (b). If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast 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 unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Sec. 26. Laws 1993, chapter 224, article 8, section 22, subdivision 12, is amended to read:

Subd. 12. [TEACHERS OF COLOR PROGRAM.] For grants to school districts for the teachers of color program:

\$300,000 1994

~~\$300,000~~ \$500,000 1995

Of this appropriation, at least \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Sec. 27. [GRANTS TO PROVIDE FREE BREAKFASTS TO ELEMENTARY SCHOOL CHILDREN.]

Subdivision 1. [ESTABLISHMENT.] A grant program for fiscal year 1995 is established to explore the policy of providing nutritious breakfasts to all children in elementary school, without regard to whether the children are eligible to receive free or reduced price breakfasts, so that they can learn effectively.

Subd. 2. [ELIGIBILITY.] An applicant for a grant must be an elementary school that participates in the federal school breakfast and lunch programs. For a school to receive a grant, at least 15 percent of the school's enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to receive reimbursement for providing breakfasts to all children, whether or not the children are from low-income families and eligible to receive free or reduced price meals, an elementary school must submit an application to the education commissioner in the form and manner prescribed by the commissioner. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The commissioner may require additional information from the applicant.

Subd. 4. [GRANT AWARDS.] The commissioner shall award four grants: for each of two grant recipients, between 15 and 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year; for each of the remaining two grant recipients, more than 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year. The four schools that the commissioner selects must have an elementary school population that in total does not exceed 2,400 pupils in average daily membership. Grant recipients must be located throughout the state. The amount of the grant shall equal the statewide average cost for the 1993-1994 school year for every breakfast the recipient serves under this program during the 1994-1995 school year minus any state and federal reimbursement the recipient receives for providing free and reduced price breakfasts during the 1994-1995 school year. Grant recipients must use the proceeds to provide breakfasts to school children.

Subd. 5. [EVALUATION.] The commissioner shall provide for an evaluation of the four grant sites to determine the impact that the universal breakfast program has on children's school performance, including discipline in the school, students' test scores, attendance rates, and other measures of educational achievement. The commissioner shall report the results of the evaluation to the education committees of the legislature by January 31, 1996.

Sec. 28. [STAFFING.]

The commissioner of education shall provide staffing to initially establish the voluntary interdistrict coordinating office advisory board and to develop the proposed amended rules on school desegregation/integration and educational diversity, to be adopted by the state board of education, as directed by the legislature. The commissioner shall convene the VICO advisory board by August 1, 1994.

Sec. 29. [PROPOSAL FOR RESOLVING INDIVIDUAL DISPUTES AND GRIEVANCES OF TRANSFER STUDENTS.]

The voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, in consultation with its advisory board, shall present to the legislature by February 1, 1995, a proposal for resolving the individual disputes and grievances of students who transfer between districts under an approved desegregation/integration plan. The proposal shall describe: (1) the information and counseling that transfer students and their parents or guardians may

require concerning the treatment the transfer students receive; (2) the procedures that receiving school districts may use to resolve transfer students' grievances or disputes that do not involve a suspension of more than ten days or an expulsion; and (3) the mediating panel the VICO may use to conduct nonbinding arbitration for unresolved grievances and disputes. The proposal shall anticipate that a transfer student shall have the same rights as a resident student if a grievance or dispute involves a suspension of more than ten days or an expulsion.

Sec. 30. [REVENUE ADJUSTMENTS.]

After appropriate study and such public hearings as may be necessary, the voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, shall recommend to the legislature by February 15, 1995, a policy for ensuring that the school districts participating in a metropolitan-wide school desegregation/integration plan are not financially disadvantaged as a result of participating in the plan.

Sec. 31. [MAGNET SCHOOL AND PROGRAM GRANTS.]

(a) The commissioner of education, in consultation with the voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

(b) Grant recipients must use the grant money under paragraph (a) to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

- (1) teachers who provide instruction or services to students in a magnet school or magnet program;
- (2) educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;
- (3) clerical support needed to operate a magnet school or magnet program;
- (4) equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;
- (5) minor remodeling needed to operate a magnet school or magnet program;
- (6) transportation for field trips that are part of a magnet school or magnet program curriculum;
- (7) program planning and staff and curriculum development for a magnet school or magnet program;
- (8) disseminating information on magnet schools and magnet programs; and
- (9) indirect costs calculated according to the state's statutory formula governing indirect costs.

Sec. 32. [REENACTMENT OF REPEALED RULES.]

Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030 that were repealed in Laws 1993, chapter 224, article 12, section 39, are reenacted as they read at the time they were repealed.

Sec. 33. [FUND TRANSFERS.]

Subdivision 1. [RECOMMENDATIONS.] After reviewing the position statement on fund integrity and fund merger by the advisory council on uniform financial accounting and reporting standards from November 1984, the commissioner of education shall make any recommendations for consolidation of funds or accounts and elimination of funds or accounts to the legislature in 1995.

Subd. 2. [STAPLES-MOTLEY.] Notwithstanding Minnesota Statutes, section 121.912 or 121.9121 or any other law to the contrary, before July 1, 1996, independent school district No. ..., Motley-Staples, may recognize as revenue in the capital expenditure fund up to \$800,000 of referendum revenue received pursuant to Minnesota Statutes, section 124A.03.

Subd. 3. [RED LAKE.] Notwithstanding any law to the contrary, on June 30, 1994, independent school district No. 38, Red Lake, may permanently transfer up to \$160,000 from the general fund to the capital expenditure fund.

Subd. 4. [INVER GROVE.] Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 199, Inver Grove may transfer \$91,255 from the community service fund to the general fund in fiscal year 1994.

Sec. 34. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [BREAKFAST STUDY GRANTS.] For grants to study the impact of breakfast participation:

<u>\$83,000</u>	<u>.....</u>	<u>1995</u>
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The commissioner and grant recipients may seek private and public sector grants to supplement the state grant funding.

Subd. 3. [ADMINISTRATORS; PEOPLE OF COLOR, WOMEN, DISABLED.] For reimbursements according to Minnesota Statutes, section 124.279:

<u>\$100,000</u>	<u>.....</u>	<u>1995</u>
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Subd. 4. [MAGNET SCHOOL AND PROGRAM GRANTS.] For grants for planning and developing magnet schools and programs:

<u>\$1,150,000</u>	<u>.....</u>	<u>1995</u>
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Of this amount, up to \$150,000 is for the costs of operating the voluntary interdistrict coordinating office.

Subd. 5. [METROPOLITAN-WIDE SCHOOL DESEGREGATION/INTEGRATION AND COMMUNITY DEVELOPMENT.] For grants for staff and community development activities to those school districts receiving the greatest number of student transfers under an approved desegregation/integration plan:

<u>\$500,000</u>	<u>.....</u>	<u>1995</u>
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The department, in consultation with the voluntary interdistrict coordinating office advisory board, shall award the grants.

Subd. 6. [SITE GRANTS.] For grants to school districts for mentorship cooperative ventures between school districts and post-secondary preparation institutions for alternative licensure programs under Minnesota Statutes, section 125.88:

<u>\$100,000</u>	<u>.....</u>	<u>1995</u>
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The department must transmit this appropriation to the board of teaching.

Sec. 35. [REPEALER.]

(a) Laws 1993, chapter 224, article 8, section 14, is repealed.

(b) Minnesota Rules, parts 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

Sec. 36. [EFFECTIVE DATE.]

(a) Sections 11 (125.05, subdivision 1a); 14 (125.185, subdivision 4); and 35, paragraph (a), (repealing Laws 1993, chapter 224, article 8, section 14) are effective July 1, 1994.

(b) Section 32 (reenacting the repealed rules governing licensure of school social workers and nurses) is effective the day after final enactment. Section 35, paragraph (b), (repealing the rules governing licensure of school social workers and nurses) is effective August 1, 1996.

(c) Section 33 (fund transfers) is effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 16, is amended to read:

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization. If a school is unable to lease appropriate space from an eligible board or other public or private nonprofit nonsectarian organization, the school may lease space from another nonsectarian organization if the department of education, in consultation with the department of administration, approves the lease. If the school is unable to lease appropriate space from public or private nonsectarian organizations, the school may lease space from a sectarian organization if the leased space is constructed as a school facility and the department of education, in consultation with the department of administration, approves the lease.

Sec. 2. Minnesota Statutes 1992, 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 enrolled in a public school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124.86, 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 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. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive 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.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 4. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive 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.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, 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. 5. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 2f, is amended to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

(1) 1.00, or

(2) the greater of

(i) .12, or

(ii) the ratio of the number of instructional hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 6. [EFFECTIVE DATES.]

Section 1 (120.064, subdivision 16) is effective the day following final enactment. Section 5 (124.17, subdivision 2f) is effective retroactive to July 1, 1991, and applies to fiscal year 1992 and thereafter.

ARTICLE 10

LIBRARIES

Section 1. [134.155] [LIBRARIANS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. [GRANTS.] The commissioner of education, in consultation with the multicultural advisory committee established in section 126.82, shall award grants for professional development programs to recruit and educate people of color in the field of library science or information management. Grant applicants must be a public library jurisdiction with a growing minority population working in collaboration with an accredited institution of higher education with a library program in the state of Minnesota.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit people of color to be librarians in public libraries and provide support in linking program participants with jobs in the recipient's library jurisdiction.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students, undergraduate students, or other persons; support them through the higher education application and admission process; advise them while enrolled; and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to people of color enrolled in an accredited library program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based upon a student's financial need and students must apply for any additional financial aid for which they are eligible to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to work in the grantee library jurisdiction for at least two years after graduation if the student acquires a master's degree and at least three years after graduation if the student acquires both a bachelor's and a master's degree while participating in the program. The grant to the library jurisdiction shall include 50 percent of the salary paid to the student during the required work period.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of persons of color in librarianship;

(2) whether grant recipients will establish or have a mentoring program for persons of color; and

(3) whether grant recipients will provide a library internship for persons of color while participating in this program.

Sec. 2. Minnesota Statutes 1992, section 134.195, subdivision 10, is amended to read:

Subd. 10. [CRITERIA.] Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. When school is not in session, the library may reduce its hours to maintain at least the average number of hours each week of other public libraries serving its population size. The library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 3. [CHILDREN'S LIBRARY SERVICES GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish a grant program for public libraries to develop community collaborations and partnerships that strengthen public library service to children, young people, and their families. The office of library development and services shall administer the grant program.

Subd. 2. [APPLICANTS.] An applicant must propose a program involving collaboration between a public library and at least one child or family organization, including, but not limited to: a school district, an early childhood family education program, a public or private adult basic education program, a nonprofit agency, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

Subd. 3. [ADVISORY TASK FORCE.] The commissioner of education shall appoint an advisory task force to review grant applications and make recommendations for awarding the grants. At least two members of the task force must be practicing children's services librarians.

Subd. 4. [CRITERIA FOR GRANT AWARDS.] In order to qualify for a grant, an applicant must:

- (1) demonstrate collaboration between a public or private agency that improves library services to children, young people, and their families;
- (2) have a plan for replication of the project in other areas of the state, if appropriate;
- (3) involve the regional public library system and the multitype library system in the planning; and
- (4) describe a system for evaluating the project.

Sec. 4. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [LIBRARIANS OF COLOR.] For the librarians of color program:

\$55,000 1995

Subd. 3. [COLLABORATION GRANTS; CHILDREN'S PROGRAMS.] For grants for collaborative programs to strengthen library services to children, young people, and their families:

\$200,000 1995

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 121.612, subdivision 7, is amended to read:

Subd. 7. [FOUNDATION STAFF.] (a) The state board shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

(b) As part of the annual plan of work, the foundation, under the direction of the state board, may appoint up to three employees. The employees appointed under this paragraph are not state employees under chapter 43A, but are covered under section 3.736. At the foundation board's discretion, the employees may participate in the state health and state insurance plans for employees in unclassified service. The employees shall be supervised by the executive director.

Sec. 2. Minnesota Statutes 1992, section 129C.15, is amended by adding a subdivision to read:

Subd. 3. [CENTER RESPONSIBILITIES.] The center shall:

- (1) provide information and technical services to arts teachers, professional arts organizations, school districts, and the department of education;
- (2) gather and conduct research in arts education;
- (3) design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and
- (4) serve as liaison for the department of education to national organizations for arts education.

Sec. 3. [FEDERAL FUNDS APPROVAL.]

The expenditure of federal funds as shown in the first change order to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

ARTICLE 12

SCHOOL BUS SAFETY

Section 1. Minnesota Statutes 1992, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the transportation of pupils to and from school and for any other purpose for which aid is authorized under section 124.223 or for which levies are authorized under sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. ~~Every driver shall possess all the qualifications required by the rules of the state board of education.~~ In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been revoked under section 127.47, subdivision 1, paragraph (b), through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. The board shall provide transportation to and from the home of a child with a disability not yet enrolled in kindergarten when special instruction and services under section 120.17 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control, and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1992, section 126.15, subdivision 4, is amended to read:

Subd. 4. [IDENTIFY, OPERATION.] Identification and operation of school safety patrols shall be uniform throughout the state and the method of identification and signals to be used shall be as prescribed by the commissioner of public safety. School safety patrol members may wear fluorescent reflective vests.

Sec. 3. [127.47] [DISTRICT BUS SAFETY POLICY.]

Subdivision 1. [BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.] (a) Transportation by school bus is a privilege and not a right for an eligible student.

(b) A school district may revoke a student's eligibility to ride a school bus for violating any school bus safety policy, student conduct policy, or law governing student conduct on a school bus.

Subd. 2. [DISTRICT BUS SAFETY POLICY.] (a) Each school board must adopt a written school bus safety policy governing student behavior and discipline. The policy must contain at least the following:

- (1) rules of student conduct related to bus safety;
- (2) procedures and forms for reporting student misconduct related to school bus safety;
- (3) disciplinary procedures for addressing the misconduct, including procedures for revoking a student's privilege to ride a bus;
- (4) an informal process for students to appeal a disciplinary decision to the school principal or other designated school official;
- (5) rules governing the use of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle;
- (6) rules of student conduct at a school bus stop or any other school bus loading or unloading area;
- (7) a definition of all misbehavior that represents an immediate and substantial danger to the student or to surrounding persons or property under section 127.29 and requires the bus driver or teacher who observes the misbehavior to immediately report the misbehavior to the school principal or other designated school official; and

(8) circumstances under which a school principal, the school transportation safety director, or other designated school official shall immediately report a student's misbehavior under section 169.457 to the local law enforcement agency having jurisdiction where the misbehavior occurred.

(b) All schools within each district must include the district's school bus safety policy in the student handbook or other information provided to students to inform them of general school policies applicable to students. The school must also provide each parent or guardian with a copy of the bus safety policy. Each district must annually review its bus safety policy and submit a current copy of the policy to the school bus safety advisory committee by January 1 of each year.

Subd. 3. [BUS RECORDS KEPT WITH EDUCATIONAL RECORDS.] A school or school district must keep all records of a student's misconduct related to school bus transportation safety with the student's other education records.

Sec. 4. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS; TYPES.] (a) "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district.

(b) A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7.

(c) A school bus may be type I A, type II B, type C, type D, or type III as follows: described in this subdivision.

(a) (d) A "type I A school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons.

(b) (e) A "type II B school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels.

(f) A "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels.

(g) A "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship, or rear, with a gross vehicle weight rating of more than 10,000 pounds, and that is designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; at the rear of the bus, behind the rear wheels; or midship between the front and rear axles. The entrance door is ahead of the front wheels.

(e) (h) Type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" must not be outwardly equipped and identified as a school bus.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 5. Minnesota Statutes 1992, section 169.21, subdivision 2, is amended to read:

Subd. 2. [RIGHTS IN ABSENCE OF SIGNALS.] (a) Where traffic-control signals are not in place or in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be to so yield, to a pedestrian crossing the roadway within a crosswalk but no pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a marked crosswalk or at any unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol, while the member of the school safety patrol is directing the movement of children across a street or highway and while the school safety patrol member is holding an official signal in the stop position. A person who violates this paragraph is guilty of a misdemeanor. A person who violates this paragraph a second or subsequent time within one year of a previous conviction under this paragraph is guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 169.442, subdivision 1, is amended to read:

Subdivision 1. [SIGNALS REQUIRED.] A type I A, B, C, or type II D school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals.

Sec. 7. Minnesota Statutes 1992, section 169.443, is amended by adding a subdivision to read:

Subd. 9. [PUBLIC ADDRESS SYSTEMS.] If a bus is equipped with a public address system, the bus driver must use the public address system to instruct children in crossing streets and highways and to inform them of potentially life-threatening situations.

Sec. 8. Minnesota Statutes 1992, section 169.445, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] ~~The state board of education~~ commissioner of public safety shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Sec. 9. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. [INFORMATION; RULES.] The ~~board~~ department shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the ~~board~~ department, local school authorities shall provide this information. The ~~board~~ department may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 10. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. [DRIVER EDUCATION PROGRAMS.] In consultation with the state board ~~commissioner~~ of education, ~~the commissioner of public safety~~ shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 11. Minnesota Statutes 1992, section 169.447, subdivision 6, is amended to read:

Subd. 6. [OVERHEAD BOOK RACKS.] Types I A, B, C, and II D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 12. Minnesota Statutes 1992, section 169.45, subdivision 1, is amended to read:

Subdivision 1. [BOARD OF EDUCATION RULES, ENFORCEMENT.] Except as provided in subdivision 2 and section 169.451, the state board of education has sole and exclusive authority to adopt and enforce rules not inconsistent with this chapter to govern the ~~design, color, and~~ operation of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Sec. 13. [169.452] [SCHOOL BUS SAFETY ADMINISTRATION.]

Subdivision 1. [RESPONSIBILITY; COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner shall establish a school bus safety committee according to subdivision 2 and shall serve as or designate a state director of pupil transportation according to subdivision 3.

Subd. 2. [SCHOOL BUS SAFETY ADVISORY COMMITTEE.] (a) The commissioner of public safety shall establish the school bus safety advisory committee. The commissioner shall provide the committee with meeting space and clerical support. The commissioner of public safety or the commissioner's designee shall chair the committee. The members of the committee shall include:

- (1) the commissioner of education or the commissioner's designee;
- (2) the commissioner of human rights or the commissioner's designee;
- (3) a county or city attorney;
- (4) a representative of the state patrol;
- (5) a school board member;
- (6) a school superintendent;
- (7) a school bus driver;
- (8) a representative of a school bus maintenance association;
- (9) a representative of the Minnesota association of pupil transportation;
- (10) two school transportation contractors, one representing the metropolitan area and one representing greater Minnesota;
- (11) two school transportation safety directors or school district transportation officials, one representing the metropolitan area and one representing greater Minnesota; and
- (12) three public members, one representing the Minneapolis and St. Paul school districts, one representing the metropolitan suburban area, and one representing greater Minnesota.

The commissioner of public safety shall appoint the members described in clauses (3) to (11). Public members in clause (12) must be appointed according to section 15.0597. Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or more often as determined by the chair.

(b) The duties of the committee include:

- (1) conducting a quarterly review of all school transportation accidents and incidents of serious misconduct that result in serious personal injury or death;
- (2) making an annual report to the governor and the legislature on student bus safety education; school bus equipment requirements and inspection; bus operation procedures; bus driver licensing, training, and qualifications; student behavior and discipline; rules of the road; school bus safety education for the public; and other aspects of school transportation safety the committee considers appropriate;
- (3) assisting the commissioner of public safety to develop school bus standards under section 169.455 and recommending future modifications to school bus equipment standards; and
- (4) reviewing school district school bus safety policies.

(c) The committee is encouraged to establish subcommittees to focus on school bus equipment, bus driver qualifications and training, and student behavior-management issues.

(d) In the first annual report required under paragraph (b), the committee shall submit a budget proposal for fiscal years 1996 and 1997 for the committee's operating costs.

Subd. 3. [PUPIL TRANSPORTATION SAFETY DIRECTOR.] (a) The commissioner of public safety or the commissioner's designee shall serve as the state transportation safety director.

(b) The pupil transportation safety director shall:

(1) assist school districts, private school bus contractors, and others to interpret and implement pupil transportation safety laws and policies;

(2) provide information and assistance to school districts, private school bus contractors, and student transportation organizations on school bus safety issues;

(3) assist in safety evaluations of state and local school bus operations;

(4) develop a comprehensive education program to train instructors of school bus drivers;

(5) provide information and assistance requested by the school bus safety advisory committee; and

(6) distribute public safety information on school bus safety to the media and encourage widespread distribution of the information.

Subd. 4. [RESPONSIBILITY; COMMISSIONER OF EDUCATION.] (a) The commissioner of education also has responsibility for school transportation safety.

(b) The duties of the commissioner include:

(1) providing information and assistance to school districts, private school bus contractors, and student transportation organizations on school bus safety issues;

(2) developing, in conjunction with the commissioner of public safety, a comprehensive bus safety curriculum for pupils who ride the bus;

(3) assisting the state board of education in developing proposed rules for school bus operations;

(4) assisting the state pupil transportation safety director; and

(5) assisting the school bus safety advisory committee.

Subd. 5. [SCHOOL TRANSPORTATION SAFETY DIRECTOR.] (a) Each school district must designate a school transportation safety director.

(b) The director must be certified by a post-secondary institution in conjunction with the National Association for Pupil Transportation or have an undergraduate degree or equivalent experience, as determined by the commissioner of public safety, in education, business administration, management, pupil transportation, or a related field.

Subd. 6. [PRIVATE SCHOOL BUS OPERATIONS.] A person or chief operating officer of a company providing student transportation under contract with a school district must meet the requirements of subdivision 5, paragraph (b). The commissioner of public safety may waive this requirement for a contractor with three or fewer buses.

Sec. 14. [169.453] [SCHOOL BUS DRIVER TRAINING AND EVALUATION.]

Subdivision 1. [PRESERVICE TRAINING.] No person shall drive a type A, B, C, or D school bus when transporting school children to or from school or a school-related trip or activity without having completed state-approved preservice training. The training must include at least the following components:

(1) instruction in general bus driving skills, including defensive driving, emergency and accident procedures, traffic laws, and the use of safety equipment;

(2) a first aid and cardiopulmonary resuscitation course;

(3) instruction in student behavior management; and

(4) behind-the-wheel instruction, including driving with an instructor driver.

Subd. 2. [ANNUAL IN-SERVICE TRAINING AND EVALUATION.] Each school district or private contractor shall evaluate bus drivers at least annually and provide eight hours of annual in-service training that includes driving with an instructor driver while children are aboard and the components in subdivision 1, clauses (1) to (4).

Subd. 3. [LICENSE CHECKS.] A school district or private contractor shall check the license of each employee who transports students with the National Drivers Register or the department of public safety twice each year.

Subd. 4. [TYPE III BACKGROUND CHECKS.] An employee of a school district or private contractor may not transport pupils to or from scheduled district instructional or extracurricular activities in a type III vehicle unless the district or private contractor has conducted a criminal records check of the employee and determined that the employee has not been convicted of a disqualifying offense under section 171.3215. The district or private contractor must conduct a criminal records check of an employee who transports pupils to or from scheduled district instructional or extracurricular activities in a type III vehicle every two years after the initial background check.

Subd. 5. [PUBLIC SAFETY OVERSEES DRIVERS' TRAINING.] The commissioner of public safety shall adopt a training program for school bus drivers containing the components specified in subdivision 1. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom training, behind-the-wheel training in the same type and size bus the driver will be operating, and annual in-service training. The program must provide that the training be conducted by the contract operator for a school district, the school district, a licensed driver training school, or another person or entity approved by the commissioner.

Sec. 15. [169.453] [SCHOOL BUS SAFETY TRAINING.]

Subdivision 1. [BUS SAFETY WEEK.] (a) The first week of school shall be school bus safety week. Each school district must provide school bus safety education and practical training for all students. Education must be provided during school bus safety week and throughout the school year. Students must receive sufficient education and training to be able to demonstrate the proper procedures for bus riding, loading and unloading, road crossing, and bus evacuation.

(b) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

Subd. 2. [CERTIFICATION OF SAFETY INSTRUCTION.] The school transportation safety director in each district must certify to the state pupil transportation director that appropriate instruction has been provided under this section.

Subd. 3. [BICYCLING AND PEDESTRIAN SAFETY.] A school district must also provide student safety education for bicycling and pedestrian safety.

Sec. 16. [169.454] [SCHOOL BUS STANDARDS.]

The school bus standards adopted under section 169.455 shall govern the construction, design, equipment, and color of school buses used for transporting school children. The commissioner of public safety shall administer and amend the school bus standards to provide basic and uniform equipment standards and establish reasonable safeguards for the health, safety, welfare, comfort, and security of the children who are transported on school buses.

Sec. 17. [169.455] [ADOPTION OF NATIONAL STANDARDS FOR SCHOOL BUSES.]

(a) The commissioner of public safety shall by rule adopt the construction, design, equipment, and color standards for type A, B, C, and D school buses, including buses used for the transportation of students with disabilities, in the 1990 revised edition of the National Standards for School Buses published by the National Safety Council.

(b) In addition to the standards adopted under paragraph (a), the commissioner shall by rule adopt exactly the text of the standards in sections 31 to 33.

(c) When a standard adopted under paragraph (b) conflicts with a national standard adopted under paragraph (a), the standard adopted under paragraph (b) shall prevail.

(d) Rules adopted under paragraphs (a) and (b) are not subject to chapter 14, except that the requirements of section 14.38, subdivision 7, must be met. The commissioner need not publish the National Standards for School Buses in the State Register, but shall adopt the National Standards for School Buses by reference. The commissioner must provide copies of the 1990 National Standards for School Buses, at a reasonable fee, to the public on request.

(e) The standards adopted under paragraphs (a) to (c) shall govern school buses used for transporting school children when the buses are owned and operated by a school district or privately owned and operated under a contract with a school district. These standards must be made a part of that contract by reference. Each school district, its officers and employees, and each person employed under the contract is subject to these standards.

(f) Nothing in this section affects the ability of the commissioner to adopt, amend, or suspend rules that govern the construction, design, equipment, and color of school buses used for transporting school children, except that no rule adopted under this section may permit a lesser standard of safety than is provided by the standards specified for type A, B, C, and D school buses in the 1990 revised edition of the National Standards for School Buses.

Sec. 18. [169.456] [APPLICABILITY OF THE STANDARDS.]

The standards adopted under section 169.455 apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established after that date, except as specifically provided by law. A school bus manufactured on or before December 31, 1994, must conform to the standards in effect on the date the vehicle was manufactured, except as specifically provided by law.

Sec. 19. [169.457] [VARIANCE.]

The commissioner of public safety may grant a variance to any of the school bus standards to accommodate testing of new equipment related to school buses. A variance from the standards must be for the sole purpose of testing and evaluating new equipment for increased safety, efficiency, and economy of pupil transportation. The variance expires 18 months from the date on which it is granted unless the commissioner specifies an earlier expiration date. The school bus safety advisory committee shall annually review all variances that are granted under this subdivision and consider whether to recommend modifications to the Minnesota school bus equipment standards based on the variances.

Sec. 20. [169.458] [ACCIDENT AND SERIOUS INCIDENT REPORTING.]

The commissioner of public safety shall develop uniform definitions of a school bus accident and an incident of serious misconduct that results in personal injury. The commissioner shall develop a uniform accident and incident reporting form to collect those data statewide. Data collected with this reporting form must be used to assist in the development of accident prevention programs.

Sec. 21. [169.4581] [LAW ENFORCEMENT POLICY FOR CRIMINAL CONDUCT ON SCHOOL BUSES.]

By January 1, 1995, each local law enforcement agency shall adopt a written policy regarding procedures for responding to criminal incidents on school buses. In adopting a policy, each law enforcement agency shall consult with local school officials, with representatives of private companies that contract with school districts to provide transportation, and with parents of students. The policy must recognize that responding to reports of criminal conduct on school buses is the responsibility of law enforcement officials.

Sec. 22. [169.4582] [REPORTING CRIMINAL INCIDENTS ON SCHOOL BUSES.]

Subdivision 1. [REPORTABLE OFFENSE; DEFINITION.] "Reportable offense" means misbehavior causing an immediate and substantial danger to self or surrounding persons or property under section 127.29.

Subd. 2. [DUTY TO REPORT; SCHOOL OFFICIAL.] Consistent with the school bus safety policy under section 127.47, subdivision 2, clause (8), the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident, on a form developed by the commissioner for that purpose.

Sec. 23. Minnesota Statutes 1993 Supplement, section 171.321, subdivision 2, is amended to read:

Subd. 2. [RULES; QUALIFICATIONS AND TRAINING.] (a) The commissioner of public safety shall prescribe rules governing the qualifications of individuals to drive school buses. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to

operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

~~(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind the wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.~~

Sec. 24. Minnesota Statutes 1992, section 171.321, subdivision 3, is amended to read:

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

Sec. 25. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT FOR ~~CRIME AGAINST MINOR~~ CERTAIN CRIMES.]

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

(1) ~~(b)~~ "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

~~(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.~~

(c) "Disqualifying offense" includes any violent crime as defined in section 609.152, any criminal violation of chapter 152, and any violation under section 609.3451, 609.746, subdivision 1, or 617.23.

Subd. 2. [CANCELLATION.] ~~The commissioner~~ Within ~~10~~ ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has ~~committed been convicted of a crime against a minor disqualifying offense, the commissioner~~ shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has been convicted of a violation of section 169.121 or 169.129, and within ten days of revoking a school bus driver's license under section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license for five years. Upon canceling the offender's school bus driver's endorsement, the ~~department commissioner~~ shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 3. [BACKGROUND CHECK.] (a) Before issuing or renewing a driver's license with a school bus driver's endorsement, the ~~department commissioner~~ shall conduct an investigation to determine ~~whether if the applicant has been convicted of committing a crime against a minor disqualifying offense, or a violation of section 169.121 or 169.129, or if the applicant's driver's license has been revoked under section 169.123, or if the applicant has been the subject of a substantiated report of child maltreatment under section 626.556.~~ The department commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a crime against a minor disqualifying offense or has been the subject of a substantiated

report of child maltreatment under section 626.556. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169.121 or 169.129 or if the applicant's driver's license has been revoked under section 169.123.

(b) In order to determine if an applicant has been the subject of a substantiated report of child maltreatment under section 626.556, the commissioner shall contact the commissioner of human services and the local welfare agency in the applicant's county of residence and request that the commissioner and the county agency search their records and forward any records in which the applicant is the subject of a substantiated report of child maltreatment. The commissioner of human services and the county agency shall respond to the commissioner's inquiry within seven days after receiving the request. The commissioner shall not consider an application to be complete until a response from the commissioner of human services and the county agency has been received.

Sec. 26. Minnesota Statutes 1992, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. When a person is convicted of committing a ~~crime against a minor~~ disqualifying offense, as defined in section 171.3215, subdivision 1, or a violation of section 169.121 or 169.129, the court shall ~~order that the presentence investigation include information about~~ determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus within ten days after the conviction.

Sec. 27. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b)(1) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3700; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500, are repealed.

(2) Minnesota Rules, parts 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600, and 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 28. Laws 1993, chapter 224, article 12, section 41, is amended to read:

Sec. 41. [EFFECTIVE DATE.]

Sections 22 to 25 are effective July 1, 1995.

Section 32, paragraph (b), is effective July 1, 1995. Section 32, paragraph (c), is effective August 1, 1996.

Section 39, paragraph (b)(2), is effective August 1, 1994. Section 39, paragraph (b)(1), is effective on the date that rules are adopted under section 169.455. Section 39, paragraph (c), is effective July 1, 1995. Section 39, paragraph (d), is effective August 1, 1996.

Sec. 29. [SCHOOL BUS SAFETY; PILOT PROGRAM GRANTS.]

Subdivision 1. [GRANT REQUIREMENTS.] The commissioner of public safety shall award grants to school districts to establish pilot programs that improve the safety of children in grades kindergarten through four who must cross a street, road, or highway before entering or when disembarking from a school bus or that provide for student behavior management. A grant may not exceed 50 percent of the district's expenditures for:

- (1) adult school bus monitors;
- (2) volunteer school bus monitor program costs;
- (3) special school bus equipment, including new technology;
- (4) video monitoring; or
- (5) other programs approved by the commissioner.

Subd. 2. [APPLICATION FORMS.] The commissioner shall prepare application forms and establish dates for grant applications and awards.

Subd. 3. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants. If the total amount of grant funding required by the applications exceeds the amount of funding available, the commissioner shall prorate the available amount among the applicant districts according to the commissioner's judgment and discretion based on the potential for gaining information from the pilot program that will improve student safety statewide. The commissioner shall ensure that grants are equitably distributed among metropolitan and rural school districts and school districts of different sizes.

Subd. 4. [REPORT.] Each school district must report the provisions that have been made for safe crossing or student behavior management with a grant made under this section and make a preliminary assessment of the effectiveness of those provisions by July 1, 1995, to the school bus safety advisory committee.

Sec. 30. [CERTAIN RULES REMAIN IN EFFECT.]

The department of public safety shall amend Minnesota Rules, part 7414.0400, to reflect the provisions in sections 26 and 27. Parts of Minnesota Rules, part 7414.0400, that are not inconsistent with provisions in sections 25 and 26 shall remain in effect.

Sec. 31. [ADDITIONAL SCHOOL BUS CHASSIS STANDARDS.]

Subdivision 1. [BRAKES.] The braking system must include an emergency brake. The braking system must meet federal motor vehicle safety standards in effect at the time of manufacture. All buses manufactured with air brakes after January 1, 1995, must have automatic slack adjusters.

Subd. 2. [CERTIFICATION.] A chassis manufacturer must certify that the product meets Minnesota standards. All buses with a certified manufacturing date before April 1, 1977, must not be recertified as a school bus after January 1, 1996.

Subd. 3. [COLOR.] Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be the manufacturer's standard color.

Subd. 4. [ELECTRICAL SYSTEM; BATTERY.] (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gasoline-powered engine, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered engine, the battery or batteries must provide a minimum of 1,050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery must be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the School Bus Manufacturers Institute design objectives booklet.

(c) All batteries must be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than one powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least 120 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least 80 amperes. This paragraph does not apply to those buses with wheelchair lifts or diesel engines.

Subd. 5. [ELECTRICAL SYSTEM; ALTERNATOR.] A bus must be capable of producing enough current at 1400 rpms to provide a positive charge to the battery with 80 percent of maximum load with all lights and accessories on. A type B bus with a gross vehicle weight rating of up to 15,000 pounds equipped with an electrical power lift must have a minimum 100 ampere per hour alternator. If not protected by a grommet, wiring passing through holes must be encased in an abrasive-resistant protective covering.

Subd. 6. [ENGINES.] A new type B bus with a gross vehicle weight rating that exceeds 15,000 pounds, and type C and type D buses purchased after January 1, 1995, must be equipped with diesel or other alternate fuel engines.

Subd. 7. [EXHAUST SYSTEM.] The tailpipe must (1) extend to, but not more than one inch beyond, the bumper and be mounted outside of the chassis frame rail, or (2) extend to, but not more than one inch beyond, the left side of the bus, behind the driver's compartment. A type A bus, and a type B bus with a gross vehicle weight rating under 15,000 pounds, must comply with the manufacturer's standard. No exhaust pipe may exit beneath an emergency exit or, on a type C or type D bus, under the fuel fill location. No exhaust pipe may be reduced in size beyond the muffler.

Subd. 8. [FRAME.] Installation of a trailer hitch is permitted. A hitch must be flush mounted.

Subd. 9. [FUEL TANK.] If mounted behind the rear wheels, the fuel tank on a vehicle constructed with a power lift unit must be between the frame rails. Fuel tanks for a type A bus, and for a type B bus with a gross vehicle weight rating under 15,000 pounds, may be the manufacturer's standard and must conform with federal Motor Vehicle Safety Standard number 301, Code of Federal Regulations, title 49, part 571.

Subd. 10. [HORN.] A bus must be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet.

Subd. 11. [TIRES AND RIMS.] Radial and bias ply tires may not be used on the same axle. Front tire tread depth may not be less than 4/32 inch in any major tire tread groove. Rear tire tread may not be less than 2/32 inch. Tires must be measured in three locations around the tire, in two adjoining grooves. No recapped tires shall be used on the front wheels.

Subd. 12. [TRANSMISSION.] The transmission shifting pattern must be permanently displayed in the driver's full view.

Sec. 32. [ADDITIONAL SCHOOL BUS BODY STANDARDS.]

Subdivision 1. [BACKUP WARNING ALARM.] A spring-loaded button in the driver's compartment that will temporarily disable the backup alarm is allowed for usage in school bus overnight parking lots and repair facilities.

Subd. 2. [BUMPER; FRONT.] On a type D school bus, the bumper must conform to federal motor vehicle safety standards.

Subd. 3. [CERTIFICATION.] A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 4. [COLOR.] Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails must be black. The reflective material on the sides of the bus body must be at least one inch but not more than two inches in width. This reflective material requirement and the requirement that "SCHOOL BUS" signs have reflective material as background apply to buses manufactured after December 31, 1994.

Subd. 5. [COMMUNICATIONS.] All buses must be equipped with a two-way voice communications system by August 30, 1994. All buses manufactured after December 31, 1994, must be equipped with a public address system.

Subd. 6. [CONSTRUCTION.] The metal floor must be covered with plywood. The plywood must be at least 19/32 inches thick, and must equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in product standard PSI-I83 issued by the United States Department of Commerce. The floor must be level from front to back and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 7. [DEFROSTERS.] Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and must be of sufficient capacity to keep the windshield, window to the left of the driver, and glass in the entrance door clear of fog, frost, and snow. A type A or type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with one auxiliary fan.

Subd. 8. [DOORS; SERVICE DOOR.] A type B bus with a gross vehicle weight rating of 15,000 pounds or over may not have a door to the left of the driver. A type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with the chassis manufacturer's standard door.

Subd. 9. [EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS.] The fire extinguisher must have a minimum Underwriter Laboratories Classification Rating of 2A-20BC.

Subd. 10. [EMERGENCY EQUIPMENT; WARNING DEVICES.] A flashlight with at least two "C" batteries must be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers must contain a seat belt cutter for use in emergencies. The belt cutter must be designed to eliminate the possibility of injury during use and must be secured in a safe location.

Subd. 11. [HEATERS.] The heating system must be capable of maintaining a safe temperature throughout the bus. In a bus with a combustion heater, the heater must be installed by the body manufacturer or by an authorized dealer, an authorized garage, or a mechanic trained in the procedure.

Subd. 12. [IDENTIFICATION.] (a) Each bus must, in the beltline, identify the school district serviced, the company name, or owner of the bus. Numbers necessary for identification must appear on the sides and rear of the bus. Symbols or letters may be used on the outside of the bus near the entrance door for student identification. A manufacturer's nameplate may be placed on the side of the bus near the entrance door and on the rear.

(b) Each bus must display the lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering must be in two-inch black letters on school bus yellow background. This message must be displayed directly below the upper window of the rear door. On rear engine buses, it must be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 13. [INSULATION.] (a) Ceilings and walls must be insulated to a minimum of 1-1/2 inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inch thick plywood, or a material of equal or greater strength and insulation R value that equals or exceeds properties of exterior-type softwood plywood, C-D grade as specified in standards issued by the United States Department of Commerce. Type A and B buses with a gross vehicle weight rating under 15,000 pounds must have a minimum of one-half inch plywood. All exposed edges on plywood must be sealed. When manufactured, each school bus must be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source does not exceed 85 dBA when tested according to procedures in the 1990 National Standards for School Buses and Operations.

(b) The underside of the metal floor may be undercoated with polyurethane floor insulation, foamed in place. The floor insulation must be combustion resistant. The authorization in this paragraph does not replace the plywood requirement.

Subd. 14. [INTERIOR.] Interior speakers, except in the driver's compartment, may not protrude more than one-half inch from the mounting surface.

Subd. 15. [LAMPS AND SIGNALS.] (a) Each school bus must be equipped with a system consisting of four red signal lamps designed to conform to SAE Standard J887, and four amber signal lamps designed to that standard, except for color, and except that their candlepower must be at least 2-1/2 times that specified for red turn-signal lamps. Both red and amber signal lamps must be installed in accordance with SAE Standard J887, except that each amber signal lamp must be located near each red signal lamp, at the same level, but closer to the centerline of the bus. The system must be wired so that the amber signal lamps are activated only by hand operation and, if activated, are automatically deactivated and the red signal lamps are automatically activated when the bus entrance door is opened. Signal lamps must flash alternately. Each signal lamp must flash not less than 60 nor more than 120 flashes per minute. The "on" period must be long enough to permit filament to come up to full brightness. There must be a pilot lamp that is attached when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate when the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practicable, and must be easily dismantled or partially disassembled to provide access for maintenance purposes. The control panel box must be arranged so that the momentary activating switch for the eight-lamp warning system is located on the left; the red, or red and amber, pilot light is located in the middle; and the eight-way master switch is located on the right. The control box must be securely mounted to the right of the steering wheel, within easy unobstructed reach of the driver. Switches and pilot lamp must be readily visible to the driver. The activating switch may be self-illuminated. Other warning devices or lamp controls must not be placed near the lamp control. The stop arm must extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe must be of a double-flash type and have minimum effective light output of 200 candelas. No roof hatch may be mounted behind the strobe light.

(c) Type B, C, and D buses must have an amber clearance lamp with a minimum of four candlepower mounted on the right side of the body at approximately seat level rub rail height just to the rear of the service door and another one at approximately opposite the driver's seat on the left side. These lamps may be connected to operate only with the regular turn-signal lamps.

(d) All lamps on the exterior of the vehicle must conform with and be installed as required by federal Motor Vehicle Safety Standard number 108, Code of Federal Regulations, title 49, part 571.

(e) A type A, B, C, or D school bus manufactured for use in Minnesota after December 31, 1994, may not be equipped with red turn signal lenses on the rear of the bus.

Subd. 16. [MIRRORS.] A type B bus with a gross vehicle weight rating less than 15,000 pounds must have an interior passenger observation mirror with dimensions of at least six inches by 16 inches. A type B bus with a gross vehicle weight rating over 15,000 pounds must have an interior passenger observation mirror with dimensions of at least six inches by 30 inches. After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

Subd. 17. [OVERALL WIDTH.] The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 18. [RUB RAILS.] There must be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 19. [SEAT AND CRASH BARRIERS.] All restraining barriers and passenger seats must be covered with a fire retardant or fire block material. All seats must face forward. All seat and crash barriers must be installed according to and conform to federal Motor Vehicle Safety Standard number 222, Code of Federal Regulations, title 49, part 571.

Subd. 20. [STOP SIGNAL ARM.] The stop signal arm must be installed near the front of the bus.

Subd. 21. [SUN SHIELD.] A type A bus and a type B bus with a gross vehicle weight rating less than 15,000 pounds must be equipped with standard manufacturer's solid visor or a six-inch by 16-inch sun shield.

Subd. 22. [WINDOWS.] Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) may be used in all other windows. All glass must be federally approved and marked as provided in section 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient band starting slightly above the line of vision and gradually decreasing in light transmission to 20 percent or less at the top of the windshield. Tinted glass meeting the requirements of section 169.71 is permitted on side windows and rear windows except for the entrance door, the first window behind the service door, and the window to the left of the driver. The window to the left of the driver, the upper service door windows, and the window immediately behind the entrance door must be thermal glass. The window to the left of the driver for type A and B buses with a gross vehicle weight rating under 15,000 pounds need not be thermal glass.

Subd. 23. [WIRING.] If not protected by a grommet, wire that passes through holes must be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it must not be wired so as to shut off power to the electric brake system.

Subd. 24. [CROSSING CONTROL ARM.] By September 1, 1994, each type A, B, C, and D school bus must be equipped with a safety crossing control arm.

Sec. 33. [ADDITIONAL STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.]

Subdivision 1. [COMMUNICATIONS.] All vehicles used to transport disabled students must be equipped with a two-way communication system and, if required in the student's individual education plan, have an aide to provide necessary assistance and supervision that cannot be safely provided by the driver.

Subd. 2. [RESTRAINING DEVICES.] Special restraining devices such as shoulder harnesses, lap belts, and chest restraint systems may be installed to the seats if the devices do not require the alteration in any form of the seat, seat cushion, framework, or related seat components.

Subd. 3. [SECUREMENT SYSTEM FOR MOBILE SEATING.] Wheelchair securement devices must comply with all requirements for a wheelchair securement system contained in federal regulations in effect on the later of the date the school bus was manufactured or the date a wheelchair securement system was added to the bus.

Sec. 34. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF PUBLIC SAFETY.] The sums indicated in this section are appropriated from the general fund to the department of public safety for the fiscal years indicated.

Subd. 2. [SAFETY ADVISORY COMMITTEE.] For the school bus safety advisory committee according to section 13, subdivision 2:

\$20,000	1995
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Subd. 3. [SCHOOL BUS SAFETY; PILOT PROGRAM GRANTS.] For school bus safety pilot grants according to section 29:

\$480,000	1995
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Subd. 4. [CROSSING CONTROL ARMS.] For school bus crossing control arms according to section 32, subdivision 24:

\$1,500,000 1995

The commissioner of public safety shall reimburse school districts for the cost of purchasing crossing control arms for buses manufactured before December 31, 1994, that are used to transport students in the district. Any excess in this appropriation must be transferred to provide additional school bus safety pilot grants according to section 29.

Sec. 35. [REPEALER.]

(a) Minnesota Statutes 1992, sections 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; and 169.447, subdivision 3, are repealed.

Minnesota Statutes 1993 Supplement, section 123.80, is repealed. Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

(b) Sections 31 to 33 are repealed effective the date that rules are adopted under Minnesota Statutes, section 169.455. Notwithstanding Minnesota Statutes, section 14.05, subdivision 1, the rules adopted by the commissioner of public safety under section 169.455, paragraph (b), are not repealed when sections 31 to 33 are repealed. Nothing in this paragraph shall affect the ability of the commissioner of public safety to amend, suspend, or repeal rules adopted under section 169.455.

Sec. 36. [EFFECTIVE DATE.]

Section 14, subdivision 1, is effective July 1, 1996. Section 5 is effective August 1, 1994, and applies to crimes committed on or after that date.

ARTICLE 13

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1992, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

- (1) at least five districts;
- (2) at least four districts with a total of at least 5,000 pupils in average daily membership; or
- (3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

- (1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or
- (2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services ~~required under sections 122.94, subdivision 2, and 122.945.~~

Sec. 2. Minnesota Statutes 1992, section 122.937, subdivision 4, is amended to read:

Subd. 4. [JOINDER AND WITHDRAWAL.] ~~(a) Notwithstanding section 122.91, subdivision 5,~~ A member district of an education district that has entered into a collective bargaining agreement negotiated by the education district under this section may withdraw from the education district only at the end of a two-year period for which the collective bargaining agreement is in effect. A member district withdrawing under this subdivision must notify the

education district board at least 365 days before withdrawing. The teachers in a withdrawing member district are governed by the collective bargaining agreement in effect for the education district until a successor agreement is negotiated by the withdrawing district.

(b) ~~Notwithstanding section 122.91, subdivision 5,~~ A school district may join an education district that has entered into a collective bargaining agreement negotiated by the education district under this section only at the end of the two-year period for which the collective bargaining agreement is in effect.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 1, is amended to read:

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

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

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

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

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, paragraph (e) ~~(h)~~, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

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

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

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

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted FTE's in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE's in the regular and excess categories in the base year.

(2) Raise the result in clause (1) to the one-fifth power.

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20.

(2) Select the lesser of one or the result in clause (1).

(3) Multiply the district's percentage of regular FTE's in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 4. Minnesota Statutes 1992, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district revenue if the department certifies that it meets the requirements of ~~sections section~~ 122.91, subdivisions 3 and 4, ~~and 122.945~~. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 5. Minnesota Statutes 1992, section 124.2721, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five year plan under section 122.945.

Sec. 6. Minnesota Statutes 1992, section 169.443, subdivision 8, is amended to read:

Subd. 8. [USE FOR RECREATIONAL OR EDUCATIONAL ACTIVITY.] A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. ~~Notwithstanding section 169.441, subdivision 3,~~ A school bus may provide such transportation only if (1) the "school bus" sign required by section 169.443, subdivision 3, is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.

Sec. 7. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the color and equipment requirements of sections 169.441, ~~subdivisions~~ subdivision 1 and 2, and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 8. Minnesota Statutes 1992, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products; or

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.01, subdivision 6, paragraph (e) (h).

Sec. 9. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall make corrections necessary to ensure that Part H legislation under Minnesota Statutes, section 120.1701, is correctly referenced in the statutes to comply with federal and state law."

Delete the title and insert:

"A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, 12, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 354.42, subdivision 5; and 475.61, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, article 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 14.05, subdivision 1; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; and 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030."

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

The report was adopted.

The Speaker called Kahn to the Chair.

SPECIAL ORDERS

H. F. No. 2135, A bill for an act relating to manufactured home parks; prohibiting manufactured home parks from prohibiting senior citizens from keeping house pet dogs, cats, and birds on the park premises; amending Minnesota Statutes 1992, section 327.27, 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 106 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jefferson	Long	Nelson	Rest	Van Engen
Asch	Dempsey	Jennings	Lourey	Ness	Rhodes	Vellenga
Battaglia	Erhardt	Johnson, A.	Luther	Olson, E.	Rice	Wagenius
Bauerly	Evans	Johnson, R.	Lynch	Olson, M.	Rodosovich	Waltman
Beard	Finseth	Johnson, V.	Macklin	Onnen	Rukavina	Wejcman
Bergson	Garcia	Kahn	Mahon	Opatz	Sarna	Wenzel
Bertram	Greenfield	Kalis	Mariani	Orenstein	Seagren	Winter
Bettermann	Greiling	Kelley	McCollum	Orfield	Sekhon	Wolf
Brown, C.	Gruenes	Kelso	McGuire	Osthoft	Simoneau	Workman
Carlson	Gutknecht	Kinkel	Milbert	Ozment	Smith	Spk. Anderson, I.
Carruthers	Hasskamp	Klinzing	Molnau	Pauly	Solberg	
Clark	Holsten	Knight	Morrison	Pelowski	Steensma	
Cooper	Hugoson	Koppendrayner	Mosel	Perlt	Swenson	
Davids	Huntley	Krueger	Munger	Peterson	Tomassoni	
Dawkins	Jacobs	Lasley	Murphy	Pugh	Tompkins	
Dehler	Jaros	Lieder	Neary	Reding	Trimble	

Those who voted in the negative were:

Abrams	Dorn	Haukoos	Limmer	Pawlenty	Vickerman
Brown, K.	Frerichs	Knickerbocker	Lindner	Skoglund	Weaver
Commers	Girard	Krinkie	Olson, K.	Sviggum	Worke
Dauner	Goodno	Leppik	Ostrom	Van Dellen	

The bill was passed and its title agreed to.

H. F. No. 2522, A bill for an act relating to natural resources; authorizing departmental sponsored competition in natural resources conservation related activities; proposing coding for new law in Minnesota Statutes, chapter 84.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Clark	Dempsey	Goodno	Holsten	Johnson, A.
Anderson, R.	Bettermann	Commers	Dorn	Greiling	Hugoson	Johnson, R.
Asch	Bishop	Cooper	Erhardt	Gruenes	Huntley	Johnson, V.
Battaglia	Brown, C.	Dauner	Evans	Gutknecht	Jacobs	Kahn
Bauerly	Brown, K.	Davids	Frerichs	Hasskamp	Jaros	Kalis
Beard	Carlson	Dehler	Garcia	Haukoos	Jefferson	Kelley
Bergson	Carruthers	Delmont	Girard	Hausman	Jennings	Kelso

Kinkel	Long	Mosel	Orfield	Rhodes	Steensma	Waltman
Klinzing	Lourey	Munger	Osthoff	Rice	Sviggum	Weaver
Knickerbocker	Luther	Murphy	Ostrom	Rodosovich	Swenson	Wejcmán
Knight	Lynch	Neary	Ozment	Rukavina	Tomassoni	Wenzel
Koppendraye	Macklin	Nelson	Pauly	Sarna	Tompkins	Winter
Krinkie	Mahon	Ness	Pawlenty	Seagren	Trimble	Wolf
Krueger	Mariani	Olson, E.	Pelowski	Sekhon	Tunheim	Worke
Lasley	McCollum	Olson, K.	Perlt	Simoneau	Van Dellen	Workman
Leppik	McGuire	Olson, M.	Peterson	Skoglund	Van Engen	Spk. Anderson, I.
Lieder	Milbert	Onnen	Pugh	Smith	Vellenga	
Limmer	Molnau	Opatz	Reding	Solberg	Vickerman	
Lindner	Morrison	Orenstein	Rest	Stanius	Wagenius	

Those who voted in the negative were:

Finseth

The bill was passed and its title agreed to.

H. F. No. 3046, A bill for an act relating to the environment; requiring town board approval prior to issuance of a permit by the pollution control agency for spreading soil that contains harmful substances on land; amending Minnesota Statutes 1992, section 116.07, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Delmont	Huntley	Lasley	Murphy	Pugh	Tompkins
Asch	Dempsey	Jacobs	Leppik	Neary	Reding	Trimble
Battaglia	Dorn	Jaros	Lieder	Nelson	Rest	Tunheim
Bauerly	Erhardt	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Beard	Evans	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bergson	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Garcia	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Brown, C.	Girard	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Sekhon	Weaver
Carlson	Greenfield	Kelley	Mahon	Orfield	Simoneau	Wejcmán
Carruthers	Greiling	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Clark	Gruenes	Kinkel	McCollum	Ostrom	Smith	Winter
Commers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Wolf
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Stanius	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Dauids	Hausman	Koppendraye	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Dawkins	Holsten	Krinkie	Mosel	Perlt	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2967, A bill for an act relating to local government; giving the Minneapolis school district and the municipal building commission the same authority as the city of Minneapolis to negotiate certain trade and craft contracts; amending Laws 1988, chapter 471, sections 1 and 2.

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

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

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Pugh	Tompkins
Asch	Delmont	Huntley	Lasley	Murphy	Reding	Trimble
Battaglia	Dempsey	Jacobs	Leppik	Neary	Rest	Tunheim
Bauerly	Dorn	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Beard	Erhardt	Jefferson	Limmer	Ness	Rice	Van Engen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, C.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcmán
Carlson	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Carruthers	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Clark	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Commers	Gutknecht	Klinzing	McGuire	Ozment	Stanius	Worke
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Workman
Dauner	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Koppendrayner	Morrison	Perlt	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2666 was reported to the House.

Brown, C., moved that H. F. No. 2666 be continued on Special Orders. The motion prevailed.

H. F. No. 2371, A bill for an act relating to unemployment compensation; requiring a study of self-employment assistance programs.

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 115 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Jaros	Long	Olson, K.	Rice	Tunheim
Asch	Dehler	Jefferson	Lourey	Onnen	Rodosovich	Van Dellen
Battaglia	Delmont	Jennings	Lynch	Opatz	Rukavina	Vickerman
Bauerly	Dempsey	Johnson, R.	Macklin	Orenstein	Sarna	Wagenius
Beard	Dorn	Johnson, V.	Mahon	Orfield	Seagren	Waltman
Bergson	Evans	Kahn	Mariani	Osthoff	Sekhon	Weaver
Bertram	Finseth	Kelley	McCollum	Ostrom	Simoneau	Wejcmán
Bettermann	Garcia	Kinkel	McGuire	Ozment	Skoglund	Wenzel
Bishop	Girard	Klinzing	Milbert	Pauly	Smith	Winter
Brown, C.	Greenfield	Knickerbocker	Molnau	Pawlenty	Solberg	Wolf
Brown, K.	Greiling	Knight	Morrison	Pelowski	Stanius	Worke
Carlson	Hasskamp	Koppendrayner	Mosel	Perlt	Steensma	Workman
Clark	Hausman	Krueger	Munger	Peterson	Sviggum	Spk. Anderson, I.
Commers	Holsten	Lasley	Neary	Pugh	Swenson	
Cooper	Hugoson	Leppik	Nelson	Reding	Tomassoni	
Dauner	Huntley	Lieder	Ness	Rest	Tompkins	
Davids	Jacobs	Lindner	Olson, E.	Rhodes	Trimble	

Those who voted in the negative were:

Abrams	Frerichs	Gutknecht	Kalis	Limmer	Van Engen
Erhardt	Goodno	Haukoos	Krinkie	Olson, M.	

The bill was passed and its title agreed to.

H. F. No. 2426, A bill for an act relating to traffic regulations; allowing any city to establish citizen enforcement programs to enforce vehicle parking laws relating to the physically disabled; specifying that citizen volunteers are agents of the city for liability purposes; amending Minnesota Statutes 1993 Supplement, section 169.346, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Jaros	Leppik	Neary	Reding	Tunheim
Asch	Delmont	Jefferson	Lieder	Nelson	Rest	Van Dellen
Battaglia	Dempsey	Jennings	Lindner	Ness	Rhodes	Van Engen
Bauerly	Dorn	Johnson, A.	Long	Olson, K.	Rice	Vellenga
Beard	Erhardt	Johnson, R.	Lourey	Olson, M.	Rodosovich	Vickerman
Bergson	Evans	Johnson, V.	Luther	Onnen	Rukavina	Wagenius
Bertram	Finseth	Kahn	Lynch	Opatz	Sarna	Waltman
Bettermann	Garcia	Kalis	Macklin	Orenstein	Seagren	Weaver
Brown, C.	Goodno	Kelley	Mahon	Orfield	Sekhon	Wejcman
Brown, K.	Greenfield	Kelso	Mariani	Osthoff	Simoneau	Wenzel
Carlson	Greiling	Kinkel	McCollum	Ostrom	Skoglund	Winter
Carruthers	Gruenes	Klinzing	McGuire	Ozment	Smith	Wolf
Clark	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Workman
Commers	Hausman	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Holsten	Koppendrayner	Morrison	Pelowski	Swenson	
Dauner	Hugoson	Krinkie	Mosel	Perlt	Tomassoni	
Davids	Huntley	Krueger	Munger	Peterson	Tompkins	
Dawkins	Jacobs	Lasley	Murphy	Pugh	Trimble	

Those who voted in the negative were:

Abrams	Girard	Haukoos	Olson, E.	Worke
Frerichs	Gutknecht	Limmer	Stanis	

The bill was passed and its title agreed to.

H. F. No. 2067 was reported to the House.

Sekhon moved that H. F. No. 2067 be continued on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Bishop moved that the name of Welle be stricken and the name of Van Engen be added as an author on H. F. No. 762. The motion prevailed.

Jaros moved that the name of Delmont be added as an author on H. F. No. 3004. The motion prevailed.

Simoneau moved that the name of Lourey be added as an author on H. F. No. 3188. The motion prevailed.

Leppik moved that H. F. No. 1803 be returned to its author. The motion prevailed.

Krinkie moved that H. F. No. 2725 be returned to its author. The motion prevailed.

Johnson, V., moved that H. F. No. 2729 be returned to its author. The motion prevailed.

Lindner moved that H. F. No. 3016 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1914:

Jennings, Reding and Abrams.

ADJOURNMENT

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Wednesday, April 6, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

