

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 6, 1994

The House of Representatives convened at 10:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Representative Howard Orenstein, District 64B, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Knickerbocker and Long were excused.

Stanius was excused until 1:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Dehler 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.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 4, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2010, relating to the environment; requiring a person who arranges for management of solid waste in an environmentally inferior manner to indemnify generators of the waste and, for a landfill, set aside a fund to pay for contamination from the landfill.

H. F. No. 2362, relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog.

H. F. No. 2410, relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands.

H. F. No. 2034, relating to transportation; changing eligibility requirements for distribution of funds from the town road account.

H. F. No. 2226, relating to state government; permitting employees of Minnesota Project Innovation, Inc. to participate in certain state employee benefit programs.

H. F. No. 2120, relating to occupations and professions; providing that health-related licensing boards may establish a program to protect the public from impaired regulated persons; providing for appointments; providing for rulemaking; appropriating money.

H. F. No. 2485, relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature.

H. F. No. 2710, relating to state government; modifying requirements for reports to the legislature; requiring creation of a system for electronic applications for licenses; requiring a study.

H. F. No. 2624, relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch.

H. F. No. 3032, relating to game and fish; regulating certain uses of fish manure; 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; regulating various wildlife management accounts and authorizing annual appropriations to commissioner of natural resources for various purposes; regulating use of revenues from various game stamps; authorizing certain permits to be designated as available for persons with disabilities or over age 70; increasing fishing license fees; modifying regulations on cooperative farming agreements; modifying source of payments made to certain Indian tribes; abolishing the angling license refund for senior citizens; requiring the commissioner of natural resources to negotiate with bargaining units prior to involuntary layoffs; appropriating money and reducing earlier appropriations.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2010	548	3:14 p.m. May 4	May 4
2210		549	3:10 p.m. May 4	May 4
	2362	550	3:14 p.m. May 4	May 4
	2410	551	3:15 p.m. May 4	May 4
2104		552	3:11 p.m. May 4	May 4
	2034	553	3:16 p.m. May 4	May 4
	2226	554	3:17 p.m. May 4	May 4
	2120	556	3:18 p.m. May 4	May 4
	2485	557	3:19 p.m. May 4	May 4
2709		558	3:12 p.m. May 4	May 4
	2710	559	3:22 p.m. May 4	May 4
	2624	560	3:27 p.m. May 4	May 4
	3032	561	3:29 p.m. May 4	May 4
2277		562	3:15 p.m. May 4	May 4
2072		563	3:08 p.m. May 4	May 4
2690		564	3:14 p.m. May 4	May 4
2500		565	3:40 p.m. May 4	May 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

CALL OF THE HOUSE

On the motion of Skoglund and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Carlson	Dorn	Gruenes	Johnson, A.	Krueger	Mariani
Anderson, R.	Carruthers	Erhardt	Gutknecht	Johnson, R.	Lasley	McCollum
Battaglia	Clark	Evans	Hasskamp	Johnson, V.	Leppik	McGuire
Bauerly	Commers	Farrell	Haukoos	Kahn	Lieder	Milbert
Beard	Cooper	Finseth	Hausman	Kelley	Limmer	Molnau
Bergson	Dauner	Frerichs	Holsten	Kelso	Lindner	Morrison
Bertram	Davids	Garcia	Hugoson	Kinkel	Lourey	Mosel
Bettermann	Dawkins	Girard	Huntley	Klinzing	Luther	Munger
Bishop	Dehler	Goodno	Jacobs	Knight	Lynch	Murphy
Brown, C.	Delmont	Greenfield	Jaros	Koppendrayner	Macklin	Neary
Brown, K.	Dempsey	Greiling	Jefferson	Krinkie	Mahon	Nelson

Ness	Orfield	Peterson	Rukavina	Sviggum	Van Engen	Wenzel
Olson, E.	Osthoff	Pugh	Sarna	Swenson	Vellenga	Winter
Olson, K.	Ostrom	Reding	Seagren	Tomassoni	Vickerman	Wolf
Olson, M.	Ozment	Rest	Sekhon	Tompkins	Wagenius	Worke
Onnen	Pawlenty	Rhodes	Skoglund	Trimble	Waltman	Workman
Opatz	Pelowski	Rice	Smith	Tunheim	Weaver	Spk. Anderson, I.
Orenstein	Perlt	Rodosovich	Steensma	Van Dellen	Wejcman	

Carruthers moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, Chapter 576, House File No. 2074, the Juvenile Justice Crime bill (with the exception of item vetoes on Page 63, lines 6-21; Page 63, lines 22-29; Page 63, lines 30-61; and Page 65, lines 38-50.)

This measure is the product of a tremendous amount of work by the legislative, judicial and executive branches. It represents one of the most significant achievements of the 1994 session and should go far in addressing our troubling juvenile crime rates. A bipartisan group of legislators and a Supreme Court Task Force led by Justice Sandra Gardebring deserve much credit.

Due to the legislature's lack of financial planning and the need for a healthy and balanced budget I was forced to item veto three provisions of spending in this measure. We recognize the need for further resources for the district courts, probation officers and the Board of Public Defense and intend to make provisions for this next year. I am convinced that we can responsibly address these needs during the regular budget session next January.

Warmest regards,

ARNE H. CARLSON
Governor

MOTION TO OVERRIDE LINE ITEM VETO

Skoglund moved that Section 67, page 63, lines 6 through 21, of H. F. No. 2074, Chapter 576, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called.

Sviggum moved that those not voting be excused from voting. The motion did not prevail.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 87 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Lasley	Neary	Reding	Tomassoni
Asch	Dauner	Jaros	Lieder	Nelson	Rest	Trimble
Battaglia	Dawkins	Jefferson	Limmer	Olson, E.	Rhodes	Tunheim
Bauerly	Delmont	Jennings	Lourey	Olson, K.	Rice	Vellenga
Beard	Dorn	Johnson, A.	Luther	Opatz	Rodosovich	Wagenius
Bergson	Evans	Johnson, R.	Mahon	Orenstein	Rukavina	Wejcman
Bertram	Farrell	Kahn	Mariani	Orfield	Sarna	Wenzel
Bishop	Garcia	Kalis	McCollum	Osthoff	Sekhon	Winter
Brown, C.	Greenfield	Kelley	McGuire	Ostrom	Simoneau	Spk. Anderson, I.
Brown, K.	Greiling	Kelso	Milbert	Pelowski	Skoglund	
Carlson	Hasskamp	Kinkel	Mosel	Perlt	Smith	
Carruthers	Hausman	Klinzing	Munger	Peterson	Solberg	
Clark	Huntley	Krueger	Murphy	Pugh	Steensma	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Lindner	Onnen	Swenson	Wolf
Bettermann	Frerichs	Hugoson	Lynch	Ozment	Tompkins	Worke
Commers	Girard	Johnson, V.	Macklin	Pauly	Van Dellen	Workman
Davids	Goodno	Knight	Molnau	Pawlenty	Van Engen	
Dehler	Gruenes	Koppendrayer	Morrison	Seagren	Vickerman	
Dempsey	Gutknecht	Krinkie	Ness	Stanius	Waltman	
Erhardt	Haukoos	Leppik	Olson, M.	Sviggum	Weaver	

Not having received the constitutionally required two-thirds vote, the line item veto was not reconsidered and not repassed.

MOTION TO OVERRIDE LINE ITEM VETO

Skoglund moved that Section 67, page 63, lines 30 through 61, of H. F. No. 2074, Chapter 576, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23 of the Constitution of the State of Minnesota.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 85 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Lasley	Nelson	Rest	Tunheim
Asch	Dauner	Jaros	Lieder	Olson, E.	Rhodes	Vellenga
Battaglia	Dawkins	Jefferson	Lourey	Olson, K.	Rice	Wagenius
Bauerly	Delmont	Jennings	Luther	Opatz	Rodosovich	Wejcman
Beard	Dorn	Johnson, A.	Mahon	Orenstein	Rukavina	Wenzel
Bergson	Evans	Johnson, R.	Mariani	Orfield	Sarna	Winter
Bertram	Farrell	Kahn	McCollum	Osthoff	Sekhon	Spk. Anderson, I.
Bishop	Garcia	Kalis	McGuire	Ostrom	Simoneau	
Brown, C.	Greenfield	Kelley	Milbert	Pelowski	Skoglund	
Brown, K.	Greiling	Kelso	Mosel	Perlt	Solberg	
Carlson	Hasskamp	Kinkel	Munger	Peterson	Steensma	
Carruthers	Hausman	Klinzing	Murphy	Pugh	Tomassoni	
Clark	Huntley	Krueger	Neary	Reding	Trimble	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Limmer	Olson, M.	Stanis	Waltman
Bettermann	Frerichs	Hugoson	Lindner	Onnen	Svigum	Weaver
Commers	Girard	Johnson, V.	Lynch	Ozment	Swenson	Wolf
Dauids	Goodno	Knight	Macklin	Pauly	Tompkins	Worke
Dehler	Gruenes	Koppendraye	Molnau	Pawlenty	Van Dellen	Workman
Dempsey	Gutknecht	Krinkie	Morrison	Seagren	Van Engen	
Erhardt	Haukoos	Leppik	Ness	Smith	Vickerman	

Not having received the constitutionally required two-thirds vote, the line item veto was not reconsidered and not repassed.

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Commers and Hugoson introduced:

H. F. No. 3244, A bill for an act relating to taxation; requiring voter approval to increase local government property tax levies at a rate greater than the growth in state personal income; proposing coding for new law in Minnesota Statutes, chapter 275.

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

The Speaker called Kahn to the Chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 984, A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 2289.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2289

A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; appropriating money; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

May 4, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2289, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2289 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(3) for fiscal year 1994 and thereafter, the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (2) that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after fiscal year 1993 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 2. [REPORT.]

By June 1, 1995, the commissioner of the pollution control agency shall submit to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate a report detailing the agency's experience under section 1, paragraph (f), including:

(1) the number of requests for expedited permit review;

(2) the number of staff hours used for each expedited review;

(3) the amount of reimbursements received by the agency from each person who requested expedited review;

(4) an indication of whether expedited review results in a sufficiently thorough examination of all aspects of a project or operation; and

(5) an analysis of the effect of expedited review on routine review of permit requests for other businesses or individuals."

Delete the title and insert:

"A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; requiring a report to the legislature; amending Minnesota Statutes 1992, section 116.07, subdivision 4d."

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

Senate Conferees: GENE MERRIAM, DEANNA WIENER AND GARY W. LAIDIG.

House Conferees: CHARLIE WEAVER, PHYLLIS KAHN AND RON ABRAMS.

Weaver moved that the report of the Conference Committee on S. F. No. 2289 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2289, A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; appropriating money; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

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

The question was taken on the repassage of the bill and the roll was called. There were 113 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hugoson	Krueger	Murphy	Pugh	Van Engen
Anderson, R.	Dorn	Huntley	Lasley	Neary	Reding	Vellenga
Asch	Erhardt	Jacobs	Leppik	Ness	Rhodes	Vickerman
Battaglia	Evans	Jaros	Lieder	Olson, E.	Rodosovich	Waltman
Bauerly	Farrell	Jefferson	Limmer	Olson, K.	Rukavina	Weaver
Bergson	Finseth	Jennings	Lindner	Olson, M.	Sarna	Wenzel
Bertram	Frerichs	Johnson, R.	Lourey	Onnen	Seagren	Winter
Bettermann	Girard	Johnson, V.	Luther	Opatz	Simoneau	Wolf
Brown, C.	Goodno	Kahn	Lynch	Orenstein	Smith	Worke
Brown, K.	Greenfield	Kalis	Mahon	Osthoff	Solberg	Workman
Carlson	Greiling	Kelley	McCollum	Ostrom	Stanisus	Spk. Anderson, I.
Carruthers	Gruenes	Kelso	McGuire	Ozment	Steensma	
Commers	Gutknecht	Kinkel	Milbert	Pauly	Sviggum	
Cooper	Hasskamp	Klinzing	Molnau	Pawlenty	Swenson	
Davids	Haukoos	Knight	Morrison	Pelowski	Tompkins	
Dehler	Hausman	Koppendraye	Mosel	Perit	Tunheim	
Delmont	Holsten	Krinkie	Munger	Peterson	Van Dellen	

Those who voted in the negative were:

Clark	Dawkins	Johnson, A.	Orfield	Skoglund	Trimble	Wejcman
Dauner	Garcia	Nelson	Sekhon	Tomassoni	Wagenius	

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3086

A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money;

abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; transferring certain personnel, powers, and duties back to the office of waste management; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of waste management; amending Minnesota Statutes 1992, sections 115.073; 115A.055; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 116G.15; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 3086, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3086 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 115B.04, is amended by adding a subdivision to read:

Subd. 4a. [CLAIMS BY MIXED MUNICIPAL SOLID WASTE DISPOSAL FACILITIES.] (a) Except as provided in paragraph (b), liability under this section for claims by owners or operators of mixed municipal solid waste disposal facilities that accept waste on or after April 9, 1994, and are not qualified facilities under section 115B.39, subdivision 2, is limited to liability for response costs exceeding the amount of available financial assurance funds required under section 116.07, subdivision 4h.

(b) This subdivision does not affect liability under this section for claims based on the illegal disposal of waste at a facility.

Sec. 2. [115B.39] [LANDFILL CLEANUP PROGRAM; ESTABLISHMENT.]

Subdivision 1. [ESTABLISHMENT.] The landfill cleanup program is established to provide environmental response at qualified facilities and is to be administered by the commissioner.

Subd. 2. [DEFINITIONS.] (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.46, except as specifically modified in this subdivision.

(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the Federal Superfund Act.

(c) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(e) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(f) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(g) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

(h) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(i) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(j) "Qualified facility" means a mixed municipal solid waste disposal facility, including adjacent property used for solid waste disposal, that:

(1) is or was permitted by the agency;

(2) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(3) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited.

Sec. 3. [115B.40] [PROGRAM.]

Subdivision 1. [RESPONSE TO RELEASES.] The commissioner may take any environmental response action, including emergency action, related to a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas from a qualified facility that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment under the standards required in sections 115B.01 to 115B.24. The commissioner may undertake studies necessary to determine reasonable and necessary environmental response actions at individual facilities. The commissioner may develop general work plans for environmental studies, presumptive remedies, and generic remedial designs for facilities with similar characteristics. Prior to selecting environmental response actions for a facility, the commissioner shall hold at least one public informational meeting near the facility and provide for receiving and responding to comments related to the selection. The commissioner shall design, implement, and provide oversight consistent with the actions selected under this subdivision.

Subd. 2. [PRIORITY LIST.] (a) The commissioner shall establish a priority list for preventing or responding to releases of hazardous substances, pollutants and contaminants, or decomposition gases at qualified facilities. The commissioner shall periodically revise the list to reflect changing conditions at facilities that affect priority for response actions. The initial priority list must be established by January 1, 1995.

(b) The priority list required under this subdivision must be based on the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, and the potential for destruction of sensitive ecosystems.

Subd. 3. [NOTIFICATION.] By September 1, 1994, the commissioner shall notify the owner or operator of, and persons subject to a cleanup order at, each qualified facility of whether the requirements of subdivision 4 or 5 have been met. If the requirements have not been met at a facility, the commissioner, by the earliest practicable date, shall notify the owner or operator and persons subject to a cleanup order of what actions need to be taken.

Subd. 4. [QUALIFIED FACILITY NOT UNDER CLEANUP ORDER; DUTIES.] (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph (d), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste;

(2) undertake or continue postclosure care at the facility until the date of notice of compliance under subdivision 7;

(3) transfer to the commissioner of revenue for deposit in the landfill cleanup account established in section 115B.42 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure care, and response action at the facility;

(4) provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(5) enter into a binding agreement with the commissioner to:

(i) take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (4); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(b) The owner or operator of a qualified facility that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

(c) The agreement required in paragraph (a), clause (5), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

(d) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Subd. 5. [QUALIFIED FACILITY UNDER CLEANUP ORDER; DUTIES.] (a) For a qualified facility that is subject to a cleanup order, persons identified in the order shall complete construction of the remedy required under the cleanup order and:

(1) for a federal order, receive a concurrent determination of the United States Environmental Protection Agency and the agency or commissioner that the remedy is functioning properly and is performing as designed; or

(2) for a state order, receive acknowledgment from the agency or commissioner that the obligations under the order for construction of the remedy have been met.

(b) The owner or operator of a qualified facility that is subject to a cleanup order, in addition to any applicable requirement in paragraph (a), shall comply with subdivision 4, paragraph (a), clauses (3) to (5).

Subd. 6. [COMMISSIONER; DUTIES.] (a) If the owner or operator of a qualified facility fails to comply with subdivision 4, paragraph (a), clause (1) or (2), the commissioner shall:

(1) undertake or complete closure activities at the facility in compliance with the solid waste rules in effect at the time the commissioner takes action under this clause; and

(2) undertake or continue postclosure care at the facility as required under subdivision 2.

(b) If a facility has been properly closed under subdivision 4, but the applicable closure requirements are less environmentally protective than closure requirements in the solid waste rules in effect on January 1, 1993, the commissioner shall determine whether the facility should be closed to the higher standards and, if so, shall undertake additional closure activities at the facility to meet those standards. The commissioner may determine that additional closure activities are unnecessary only if it is likely that response actions will be taken in the near future and that those response actions will result in removal or significant alteration of the closure activities or render the closure activities unnecessary.

Subd. 7. [NOTICE OF COMPLIANCE; EFFECTS.] (a) The commissioner shall provide written notice of compliance to the appropriate owner or operator or person subject to a cleanup order when:

(1) the commissioner determines that the requirements of subdivision 4 or 5 have been met; and

(2) the person who will receive the notice has submitted to the commissioner a written waiver of any claims the person may have against any other person for recovery of any environmental response costs related to a qualified facility that were incurred prior to the date of notice of compliance.

(b) Beginning on the date of the notice of compliance:

(1) the commissioner shall assume all obligations of the owner or operator or person for environmental response actions under the federal Superfund Act and any federal or state cleanup orders and shall undertake all further action under subdivision 1 at or related to the facility that the commissioner deems appropriate and in accordance with the priority list; and

(2) the commissioner may not seek recovery against the owner or operator of the facility or any responsible person of any costs incurred by the commissioner for environmental response action at or related to the facility, except:

(i) to the extent of insurance coverage held by the owner or operator or responsible person; or

(ii) as provided in section 115B.402.

(c) The commissioner and the attorney general shall communicate with the United States Environmental Protection Agency addressing the manner and procedure for the state's assumption of federal obligations under paragraph (b), clause (1).

Subd. 8. [STATUTES OF LIMITATIONS.] (a) With respect to claims for recovery of environmental response costs related to qualified facilities, the running of all applicable periods of limitation under state law is suspended until July 1, 2004.

(b) A waiver of claims for recovery of environmental response costs under this section or section 115B.43 is extinguished for that portion of reimbursable costs under section 115B.43 that have not been reimbursed by July 1, 2004.

Sec. 4. [115B.402] [ILLEGAL ACTIONS AT QUALIFIED FACILITIES.]

The commissioner may recover under section 115B.17, subdivision 6, that portion of the costs of response actions at any qualified facility attributable to a person who otherwise would be responsible for the release or threatened release under section 115B.03, and whose actions related to the release or threatened release were in violation of federal or state hazardous waste management laws in effect at the time of those actions. The commissioner's determination of the portion of the costs of a response action attributable to a person under this section, based on the volume and toxicity of waste in the facility associated with the person and other factors reasonably related to the contribution of the person to a release or threatened release, is prima facie evidence that those costs are attributable to the person.

Sec. 5. [115B.405] [EXCLUDED FACILITIES.]

Subdivision 1. [APPLICATION.] The owner or operator of a qualified facility may apply to the commissioner for exclusion from the landfill cleanup program under sections 115B.39, 115B.40, 115B.41, 115B.412, and 115B.43. Applications must be received by the commissioner by February 1, 1995. The owner or operator of a qualified facility that is subject to a federal cleanup order or that includes any portion that is tax-forfeited may not apply for exclusion under this section. In addition to other information required by the commissioner, an application must include a disclosure of all financial assurance accounts established for the facility. Applications for exclusion must:

(1) show that the operator or owner is complying with the agency's rules adopted under section 116.07, subdivision 4h, and is complying with a financial assurance plan for the facility that the commissioner has approved after determining that the plan is adequate to provide for closure, postclosure care, and contingency action;

(2) demonstrate that the facility is closed or is in compliance with a closure schedule approved by the commissioner; and

(3) include a waiver of all claims for recovery of costs incurred under sections 115B.01 to 115B.24 and the federal Superfund Act at or related to a qualified facility.

Subd. 2. [EVALUATION OF EXCLUSION STATUS.] Within 90 days after the commissioner has received a complete application for exclusion, the commissioner shall notify the owner or operator if the facility is excluded. If the commissioner finds that the facility does not satisfy the requirements for exclusion, the commissioner shall notify the owner or operator of that fact.

Subd. 3. [RESTRICTION ON USE OF PROPERTY AT EXCLUDED FACILITIES.] (a) A person may not use any property described in the most recent agency permit issued for an excluded facility in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the facility's monitoring systems, unless the agency finds that the disturbance:

(1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(2) is necessary to reduce a threat to human health or the environment.

(b) Before any transfer of ownership of property described in paragraph (a), the owner must obtain approval from the commissioner. The commissioner shall approve a transfer if the owner can demonstrate to the satisfaction of the commissioner that persons and property will not be exposed to undue risk from releases of hazardous substances or pollutants or contaminants.

(c) After obtaining approval from the commissioner, the owner shall record with the county recorder of the county in which the property is located an affidavit containing a legal description of the property that discloses to any potential transferee:

(1) that the land has been used as a mixed municipal solid waste disposal facility;

(2) the identity, quantity, location, condition, and circumstances of the disposal and any release of hazardous substances or pollutants or contaminants from the facility to the full extent known or reasonably ascertainable; and

(3) that the use of the property or some portion of it may be restricted as provided in paragraph (a).

(d) An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under paragraph (c), with respect to property for which an affidavit has already been recorded. If the owner or any subsequent owner of the property removes the waste from the facility together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record an affidavit indicating the removal. Failure to record an affidavit as provided in this paragraph does not affect or prevent any transfer of ownership of the property.

(e) The county recorder shall record all affidavits presented in accordance with paragraphs (c) and (d). The affidavits must be recorded in a manner that will ensure their disclosure in the ordinary course of a title search of the subject property.

(f) This subdivision is enforceable under sections 115.071 and 116.072.

Subd. 4. [CLOSURE.] If the commissioner determines that the owner or operator of an excluded facility did not complete the terms of an approved closure plan by the date in the plan, the commissioner shall complete closure at the facility and may seek cost recovery against the owner or operator under section 115B.17, subdivision 6.

Sec. 6. [115B.41] [ALLOCATION OF COSTS; FAILURE TO COMPLY.]

Subdivision 1. [ALLOCATION AND RECOVERY OF COSTS.] (a) A person who is subject to the requirements in section 115B.40, subdivision 4, or subdivision 5, paragraph (b), is responsible for all environmental response costs incurred by the commissioner at or related to the facility until the date of notice of compliance under section 115B.40, subdivision 7. The commissioner may use any funds available for closure, postclosure care, and response action established by the owner or operator. If those funds are insufficient or if the owner or operator fails to assign rights to them to the commissioner, the commissioner may seek recovery of environmental response costs against the owner or operator in the county of Ramsey or in the county where the facility is located or where the owner or operator resides.

(b) In an action brought under this subdivision in which the commissioner prevails, the court shall award the commissioner reasonable attorney fees and other litigation expenses incurred by the commissioner to bring the action. All costs, fees, and expenses recovered under this subdivision must be deposited in the environmental fund and credited to the landfill cleanup account established in section 115B.42.

Subd. 2. [ENVIRONMENTAL RESPONSE COSTS; LIENS.] All environmental response costs, including administrative and legal expenses, incurred by the commissioner at a qualified facility before the date of notice of compliance under section 115B.40, subdivision 7, constitute a lien in favor of the state upon any real property located in the state, other than homestead property, owned by the owner or operator who is subject to the requirements of section 115B.40, subdivision 4 or 5. A lien under this subdivision attaches when the environmental response costs are first incurred and continues until the lien is satisfied or becomes unenforceable as for an environmental lien under section 514.672. Notice, filing, and release of the lien are governed by sections 514.671 to 514.676, except where those requirements specifically are related to only cleanup action expenses as defined in section 514.671. Relative priority of a lien under this subdivision is governed by section 514.672, except that a lien attached to property that was included in any permit for the solid waste disposal facility takes precedence over all other liens regardless of when the other liens were or are perfected. Amounts received to satisfy all or a part of a lien must be deposited in the landfill cleanup account.

Subd. 3. [LOCAL GOVERNMENT AID; OFFSET.] If an owner or operator fails to comply with section 115B.40, subdivision 4, or 5, paragraph (b), fails to remit payment of environmental response costs incurred by the commissioner before the date of notice of compliance under section 115B.40, subdivision 7, and is a local government unit, the commissioner may seek payment of the costs from any state aid payments, except payments made under section 115A.557, subdivision 1, otherwise due the local government unit. The commissioner of revenue, after being notified by the commissioner that the local government unit has failed to pay the costs and the amount due, shall pay an annual proportionate amount of the state aid payment otherwise payable to the local government unit into the landfill cleanup account that will, over a period of no more than five years, satisfy the liability of the local government unit for the costs.

Subd. 4. [DISQUALIFICATION; PERMITS.] If an owner or operator of a qualified facility that is not a local government unit does not undertake closure or postclosure care in compliance with section 115B.40, subdivision 4, the owner or operator is ineligible to obtain or renew a state or local permit or license to engage in a business that manages solid waste. Failure of an owner or operator that is not a local government unit to complete closure or postclosure care at a qualified facility is prima facie evidence of the lack of fitness of that owner or operator to conduct any solid waste business and is grounds for revocation of any solid waste business permit or license held by that owner or operator.

For the purposes of this subdivision and subdivision 2, "owner or operator" means a person, partnership, firm, limited liability company, cooperative, association, corporation, or other entity and includes any entity in which the owner or operator owns a controlling interest.

Subd. 5. [EXPEDITED CLOSURE.] To expedite compliance with section 115B.40, subdivision 4, a person other than an owner or operator may undertake closure or postclosure care in compliance with that subdivision under an agreement with the commissioner.

Sec. 7. [115B.412] [PROGRAM OPERATION.]

Subdivision 1. [DUTY TO PROVIDE INFORMATION.] Any person who the commissioner has reason to believe has or may obtain information related to the generation, composition, transportation, treatment, or disposal of waste in a qualified facility or who has or may obtain information related to the ownership or operation of a facility shall furnish to the commissioner or the commissioner's designee any information that person may have or may reasonably obtain that is relevant to a release or threatened release at a qualified facility.

Subd. 2. [ACCESS TO INFORMATION AND PROPERTY.] The commissioner or a person designated by the commissioner, on presentation of credentials, may:

(1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the agency under subdivision 1; and

(2) enter upon any property, public or private, for the purpose of taking any action authorized by sections 115B.39 to 115B.43 including obtaining information from any person who has a duty to provide the information under subdivision 1, conducting surveys or investigations, and taking response action.

This subdivision and subdivision 1 are enforceable under sections 115.071 and 116.072. If the commissioner prevails in an enforcement action under this subdivision, the commissioner may recover all costs, including court costs, attorney fees, and administrative costs, related to the enforcement action.

Subd. 3. [ACQUISITION AND DISPOSITION OF REAL PROPERTY.] The commissioner may acquire and dispose of real property the commissioner deems reasonably necessary for environmental response actions at or related to a qualified facility under section 115B.17, subdivisions 15 and 16.

Subd. 4. [AFFECTED REAL PROPERTY; NOTICE.] (a) The commissioner shall provide to affected local government units, to be available as public information, and shall make available to others, on request, a description of the real property described in the original and any revised permits for a qualified facility, along with a description of activities that will be or have been taken on the property under sections 115B.39 to 115B.43 and a reasonably accurate description of the types, locations, and potential movement of hazardous substances, pollutants and contaminants, or decomposition gases related to the facility. The commissioner shall provide and make this information available at the time the facility is placed on the priority list under section 115B.40, subdivision 2; shall revise, provide, and make the information available when response actions, other than long-term maintenance actions, have been completed; and shall revise the information over time if significant changes occur that make the information obsolete or misleading.

(b) A local government unit that receives information from the commissioner under paragraph (a) shall incorporate that information in any land use plan that includes the affected property and shall notify any person who applies for a permit related to development of the affected property of the existence of the information and, on request, provide a copy of the information.

Subd. 5. [ENVIRONMENTAL LIEN.] An environmental lien for environmental response costs incurred, including reimbursements made under section 115B.43, by the commissioner under sections 115B.39 to 115B.46 attaches in the same manner as a lien under sections 514.671 to 514.676, to all the real property described in the original and any revised permits for a qualified facility and any adjacent property owned by the facility owner or operator from the date the first assessment, closure, postclosure care, or response activities related to the facility are undertaken by the commissioner. For the purposes of filing an environmental lien under this subdivision, the term "cleanup action" as used in sections 514.671 to 514.676 includes all of the costs incurred by the commissioner to assess, close, maintain, monitor, and respond to releases at qualified facilities under sections 115B.39 to 115B.46. Notwithstanding section 514.672, subdivision 4, a lien under this paragraph takes precedence over all other liens on the property regardless of when the other liens were or are perfected. For the purpose of this subdivision, "owner or operator" has the meaning given it in section 115B.41, subdivision 4.

Subd. 6. [CONTRACTS.] The commissioner shall, to the extent practicable, ensure that contracts for activities or consulting services under this section are entered into with contractors or consultants located within the region where the facility subject to the contracts is located. The commissioner shall tailor specifications in requests for proposals to the types of activities or services that need to be undertaken at a specific facility or group of facilities located in the same region and shall not include specifications that require specialized expertise or laboratory work not available within the region unless it is necessary to do so to meet the requirements of this section.

Subd. 7. [SEPARATE ACCOUNTING.] The commissioner shall maintain separate accounting for each qualified facility regarding:

- (1) the amount of financial assurance funds transferred under section 115B.40, subdivisions 4 and 5; and
- (2) costs of response actions taken at the facility.

Subd. 8. [TRANSFER OF TITLE.] The owner of a qualified facility may, as part of the owner's activities under section 115B.40, subdivision 4 or 5, offer to transfer title to all the property described in the facility's most recent permit, including any property adjacent to that property the owner wishes to transfer, to the commissioner. The commissioner may accept the transfer of title if the commissioner determines that to do so is in the best interest of the state.

Subd. 9. [LAND MANAGEMENT PLANS.] The commissioner shall develop a land use plan for each qualified facility. All local land use plans must be consistent with a land use plan developed under this subdivision. Plans developed under this subdivision must include provisions to prevent any use that disturbs the integrity of the final cover, liners, any other components of any containment system, or the function of any monitoring systems unless the commissioner finds that the disturbance:

- (1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or
- (2) is necessary to reduce a threat to human health or the environment.

Before completing any plan under this subdivision, the commissioner shall consult with the commissioner of finance regarding any restrictions that the commissioner of finance deems necessary on the disposition of property resulting from the use of bond proceeds to pay for response actions on the property, and shall incorporate the restrictions in the plan.

Subd. 10. [REPORT.] By October 1 of each year, the commissioner shall report to the legislative commission on waste management and to the appropriate finance committees of the senate and the house of representatives on the commissioner's activities under sections 115B.39 to 115B.43 and the commissioner's anticipated activities during future fiscal years.

Subd. 11. [RULES.] The commissioner may adopt rules necessary to implement sections 115B.39 to 115B.43.

Sec. 8. [115B.414] [THIRD-PARTY CLAIMS; MEDIATION; DEFENSE.]

Subdivision 1. [THIRD-PARTY CLAIMS; DEFINITION.] For the purposes of this section, "third-party claims" means claims made against mixed municipal solid waste generators by a responsible person or group of responsible persons under state or federal law for payment of response costs and related costs at a qualified facility, when the claimant or claimants do not produce evidence, other than statistical or circumstantial evidence, that the persons against whom the claims are made ever arranged for disposal or transported for disposal mixed municipal solid waste containing a hazardous substance or pollutant or contaminant to the facility.

Subd. 2. [MEDIATION.] A third-party claim or group of third-party claims that all arise from the same facility may be submitted to the Minnesota office of dispute resolution for mediation under the Minnesota civil mediation act, sections 572.31 to 572.40. The costs of mediation must be allocated equally between the person or persons against whom the claims are made and the person or persons making the claims.

Subd. 3. [PARTIAL REIMBURSEMENT.] A person or persons against whom one or more third-party claims are made may seek reimbursement from the commissioner of one-half of the costs of mediation allocated to the person or persons under subdivision 2. The commissioner shall reimburse the person or persons that request reimbursement unless the commissioner finds that the mediation was not entered into and conducted in good faith by the person or persons seeking reimbursement.

Subd. 4. [DEFENSE COSTS.] If a person or persons against whom one or more third-party claims are made request the person or persons making the claims to submit the claims to mediation and the claimants refuse to submit to mediation or if the person or persons against whom third-party claims are made enter into and conduct the mediation in good faith but the mediation fails to resolve the claims, the person or persons, in cooperation with other persons

against whom third-party claims have been made that arise from the same facility, may retain legal counsel to defend them against the claims and may seek partial reimbursement from the commissioner for reasonable attorney fees. The commissioner shall provide partial reimbursement for reasonable attorney fees under this subdivision of \$75 per hour for a maximum number of hours to be established by the commissioner by rule. The maximum number of hours for reimbursement must increase as the number of persons who collectively retain legal counsel to defend against related claims increases but need not increase proportionately to the increase in the number of persons seeking collective defense. Under no circumstances may a person or group of persons receive reimbursement of more than 75 percent of their reasonable attorney fees under this subdivision.

Sec. 9. [115B.43] [REIMBURSABLE PARTIES AND EXPENSES.]

Subdivision 1. [GENERALLY.] Environmental response costs at qualified facilities for which a notice of compliance has been issued under section 115B.40, subdivision 7, are reimbursable as provided in this section.

Subd. 2. [REIMBURSABLE PERSONS.] (a) Except as provided in paragraphs (b) to (d), the following persons are eligible for reimbursement under this section:

(1) owners or operators, after the owners or operators have agreed to waive all claims for recovery of environmental response costs against any other persons and have agreed to reimburse, on a proportionate basis from each reimbursement received, each person from whom the applicant has collected funds towards reimbursable costs; and

(2) persons, other than owners and operators after the persons have agreed to:

(i) reimburse, on a proportionate basis from each reimbursement payment received, each person from whom the applicant has collected funds towards reimbursable costs; and

(ii) waive all claims for environmental response costs related to the facility and all other qualified facilities, against all other persons.

(b) A person is not eligible for reimbursement under this section if the person is an owner or operator who failed to properly close the qualified facility within the time specified in the facility's permit or the solid waste rules in effect at the time the facility stopped accepting waste.

(c) A person is not eligible for reimbursement under this section for environmental response costs at a facility if the person's actions relating to a release or threatened release at the facility were in violation of federal or state hazardous waste management laws in effect at the time of those actions.

(d) A person is not eligible for reimbursement under this section if, after June 15, 1994, the person files or continues to pursue an action asserting a claim for recovery of environmental response costs relating to a qualified facility, or otherwise seeks contributions for these costs, from another person.

Subd. 3. [REIMBURSABLE EXPENSES.] (a) Environmental response costs are eligible for reimbursement under this section to the extent that they:

(1) exceed:

(i) for each political subdivision that is an owner or operator of the facility, \$250,000; and

(ii) for a private owner or operator, or a political subdivision that jointly owned or operated the facility with two or more other political subdivisions under a valid joint powers agreement, \$750,000;

(2) are documented with billings or other proof of project cost; and

(3) if the commissioner finds that they were reasonable and necessary under the circumstances. The commissioner may request further documentation from those requesting reimbursement if it is necessary in the commissioner's judgment.

(b) For owners or operators, the following costs are not reimbursable:

(1) costs attributable to normal operations of the facility or to activities required under the facility permit and applicable solid waste rules, including corrective action, closure, postclosure, and contingency action; and

(2) the acquisition of real property if required of the owner or operator in order to carry out requirements of the facility permit or applicable solid waste rules.

Subd. 4. [REIMBURSEMENT PLAN.] The commissioner shall prepare a reimbursement plan and present it by October 1, 1995, to the legislative commission on waste management, the chairs of the senate finance committee and environment and natural resources finance division and the committees on ways and means and environment and natural resources finance of the house of representatives, and owners and operators of, and persons subject to a cleanup order at, qualified facilities. The plan shall identify sites where reimbursement will occur and the estimated dollar amount for each site, and shall set out priorities and payment schedules. The plan must give first priority for reimbursement to persons who are not owners or operators of qualified facilities.

Subd. 5. [REIMBURSEMENT TIMING.] The commissioner shall not issue reimbursement payments before October 15, 1995. The commissioner shall not issue reimbursements for expense statements filed after October 15, 1996, and shall approve or deny all reimbursement requests by October 15, 1997. The commissioner shall fully reimburse all persons eligible for reimbursement no later than six years after the date of notice of compliance for the facility under section 115B.40, subdivision 7.

Subd. 6. [REIMBURSEMENT CEILING.] The commissioner shall not issue reimbursements in an amount exceeding \$7,000,000 per fiscal year.

Sec. 10. Minnesota Statutes 1993 Supplement, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years, or the redemption period specified in section 281.17 if shorter, after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by two weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of, State of Minnesota.

To

You are hereby notified that the following described piece or parcel of land, situated in the county of, and State of Minnesota, and known and described as follows:, is now assessed in your name; that on the day of May,, at the sale of land pursuant to the real

estate tax judgment, duly given and made in and by the district court in and for said county of, on the day of March,, in proceedings to enforce the payment of taxes delinquent upon real estate for the year for said county of, the above described piece or parcel of land was sold for the sum of \$....., and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of \$....., and interest at the rate of percent per annum from said day of, to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this day of,

.....
(OFFICIAL SEAL)

County Auditor of

..... County, Minnesota."

Sec. 11. Minnesota Statutes 1992, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), or 25, paragraph (c), clause (5), for which the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except (1) homesteaded lands as defined in section 273.13, subdivision 22, and (2) for periods of redemption beginning after June 30, 1991, but before July 1, 1996, lands located in the Loring Park targeted neighborhood on which a notice of lis pendens has been served, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all real property constituting a mixed municipal solid waste disposal facility that is a qualified facility under section 115B.39, subdivision 1, is one year from the date of the sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 12. [EFFECTIVE DATES.]

Sections 1 to 7 and 9 are effective June 1, 1994. Sections 10 and 11 are effective for taxes deemed delinquent after December 31, 1994.

ARTICLE 2

Section 1. [115B.44] [INVESTIGATION AND PURSUIT OF INSURANCE CLAIMS.]

Subdivision 1. [COMMISSIONER TO INVESTIGATE.] The commissioner may conduct investigations to identify responsible persons at qualified facilities. At the commissioner's request, a responsible person identified under this subdivision shall provide the commissioner with a copy of all applicable comprehensive general liability insurance policies, certificates, or other evidence of insurance coverage held while the person engaged in actions making the

person a potential responsible person; take any actions necessary to preserve the person's rights to payment or defense under the policies; cooperate with the commissioner in asserting claims; and, within 60 days of the commissioner's request, assign only those rights under the policies related to environmental response costs at or related to qualified facilities. The commissioner may not request assignment of rights under this subdivision before May 1, 1996.

Subd. 2. [ATTORNEY GENERAL TO PURSUE ASSIGNED CLAIMS.] The attorney general shall pursue available insurance claims under rights assigned under subdivision 1 or section 115B.40 and may contract for legal services for this purpose. All money recovered under this subdivision must be credited to the landfill cleanup account.

Sec. 2. [115B.45] [VOLUNTARY BUY-OUT FOR INSURERS.]

In full satisfaction of any rights assigned to the state under sections 115B.40 and 115B.44, an insurer may tender to the commissioner before January 1, 1998, the voluntary buy-out amount calculated under section 115B.46. In consideration of the amount tendered to the commissioner, an insurer shall be released by the state from liability for defense or indemnification relating to environmental response costs incurred by the commissioner at qualified facilities, except that no liability protection exists under this section until the commissioner has received buy-out commitments totaling \$30,000,000. Any amounts received by the commissioner must be credited to the landfill cleanup account.

Sec. 3. [115B.46] [VOLUNTARY BUY-OUT AMOUNT.]

Subdivision 1. [CALCULATION.] The voluntary buy-out amount for an insurer must be calculated in accordance with this section.

Subd. 2. [VOLUNTARY BUY-OUT SHARE.] An insurer's unadjusted voluntary buy-out share is equal to that insurer's combined Minnesota written premium for the commercial multiperil line of insurance for calendar years 1970 through 1973, the liability other than auto line for calendar years 1970 and 1971, and the miscellaneous liability line for calendar years 1972 and 1973, as defined by the National Association of Insurance Commissioners' annual statement instructions during the applicable periods, divided by the aggregate written premium for all insurers for these lines during these same time periods. The commissioner of commerce shall calculate the unadjusted shares for individual insurers from data published by A.M. Best for the applicable periods. The commissioner shall advise each insurer with an unadjusted share calculated pursuant to this subdivision of the amount of their unadjusted share. The commissioner shall also request from the insurers data to support an adjustment under subdivision 3. The commissioner shall so advise insurers by May 1, 1996.

Subd. 3. [ADJUSTMENTS.] An insurer may adjust its share by providing the commissioner of commerce with evidence that the insurer's Minnesota written premium liability other than auto written premium for calendar years 1970 and 1971 and miscellaneous liability for calendar years 1972 and 1973 included professional or medical malpractice insurance written premiums. The evidence may be provided by written documents or electronically imaged and reproduced documents, contemporaneous with the period of the adjustment, reflecting the insurer's professional or medical malpractice insurance written premium for these periods. The evidence may include an affidavit from an officer of the insurer testifying to the veracity of the data. An insurer's share must be adjusted by the amount of the insurer's professional or medical malpractice insurance Minnesota written premium for calendar years 1970 through 1973 subtracted from the insurer's aggregate liability other than auto and miscellaneous liability written premium for calendar years 1970 through 1973. The commissioner of commerce shall reduce the aggregate liability other than auto and miscellaneous liability written premium for all insurers by the amount of total adjustments for all insurers under this subdivision prior to the final calculation of each insurer's share. The commissioner shall recalculate each insurer's share using the method provided in subdivision 1 subject to the adjustment provided by this subdivision.

Subd. 4. [CREDITS.] An insurer may receive a credit of 25 percent for each of the calendar years 1970, 1971, 1972, and 1973 that the insurer can demonstrate that sudden and accidental qualified pollution exclusions were endorsed to or included in all its comprehensive general liability insurance policies issued during these years. To support a claim for credits under this subdivision, an insurer may provide the commissioner of commerce with an affidavit from an officer or former officer testifying as to the business practice of the insurer during the year or years in question. An insurer may obtain a 25 percent credit for each of the years 1970, 1971, 1972, and 1973 that the exclusions were endorsed to or included in these policies.

Subd. 5. [FINAL CALCULATION.] An insurer's voluntary buy-out amount is equal to the multiplication of the insurer's adjusted share by \$90,000,000 minus the amount of the insurer's credits under subdivision 4. The commissioner of commerce shall notify each insurer of its buy-out amount calculated under this section by September 30, 1996. An insurer that elects to buy out under this section may pay the amount calculated under this subdivision in ten equal annual installments.

Subd. 6. [NONPUBLIC DATA.] All information obtained by the commissioner of commerce from insurers under this section is nonpublic data under section 13.02, subdivision 9.

Subd. 7. [HEARING.] An insurer who disagrees with the calculation of its voluntary buy-out amount may request that the commissioner of commerce reconsider. An insurer requesting reconsideration shall supply the commissioner with information that supports the insurer's position within 30 days of receipt of the notification under subdivision 4. The commissioner shall reconsider the insurer's calculation based upon the information supplied within 30 days of receipt of the information. An insurer may appeal the decision of the commissioner as a contested case under chapter 14.

Subd. 8. [MINIMUM AMOUNT.] An insurer's voluntary buy-out amount may not be less than \$200,000.

Subd. 9. [RULES.] The commissioner of commerce may adopt rules to implement this section.

Sec. 4. [FEDERAL INSURANCE TRUST FUND.]

The commissioner of the pollution control agency shall monitor developments relating to the establishment of a federal insurance trust fund, or a similar fund, as part of the reauthorization of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9601 et seq., and shall take actions, including communicating with Congress and the United States Environmental Protection Agency, to maximize the amount of money available from the federal fund for payments relating to mixed municipal solid waste disposal facilities in this state. By January 15, 1995, the commissioner shall submit to the legislative commission on waste management, the senate environment and natural resources finance division, and the house committee on environment and natural resources finance a report containing:

- (1) a summary of federal developments and the commissioner's actions under this section; and
- (2) any recommendations for legislation.

Sec. 5. [VOLUNTARY INSURANCE BUY-OUT PROGRAM; EVALUATION AND RECOMMENDATIONS BY ATTORNEY GENERAL.]

(a) The attorney general shall evaluate the voluntary insurance buy-out program established in sections 115B.45 and 115B.46 in light of the legislature's intent to maximize the net revenue to the state under the program. By January 15, 1996, the attorney general shall report on the evaluation to the legislative commission on waste management and the appropriate committees of the legislature. The report must include:

(1) recommendations on changes to the program, including any recommendations for changes to the years to be considered in calculating the voluntary buy-out amount under section 115B.46, subdivision 2; the adjustments and credits allowed under section 115B.46, subdivisions 3 and 4; the \$90,000,000 amount in section 115B.46, subdivision 5; and any other element of the program; and

(2) a detailed explanation of the process by which the attorney general's recommendations, if any, were formulated, including a summary of the comments of each of the entities listed in paragraph (b).

(b) In preparing the report, the attorney general shall consult with:

- (1) representatives of the department of commerce and the pollution control agency;
- (2) representatives of insurers at the state and national levels; and
- (3) representatives of insureds.

(c) The attorney general may request of any person, including an insurer, any documents, records, or other information that the attorney general deems necessary to perform its responsibilities under this section. A person, including an insurer, shall comply with such requests of the attorney general within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the attorney general. In the case of a refusal to comply with a request for information under this section, the attorney general may apply to the district court for an order directing the person to comply with the request. A person shall not be required to provide any information that is subject to the attorney-client privilege or work product privilege. An insurer shall not be required to provide information specific to a particular insured unless the attorney general deems such information necessary to confirm summary information provided by an insurer. With respect to information obtained under this paragraph that is specific to a particular insured, the attorney general shall, pursuant to standard legal practice, take steps necessary to assure that such information is not discussed with, or available to, any attorney general staff involved in evaluating or pursuing assigned claims under section 115B.44, subdivision 2. Nothing in this paragraph prevents the attorney general from independently obtaining the information as otherwise allowed by law to evaluate or pursue assigned claims under section 115B.44, subdivision 2.

(d) Upon request of the attorney general, the commissioners of the pollution control agency and commerce shall cooperate with the attorney general in carrying out the authority under this section.

Sec. 6. [APPROPRIATION.]

\$150,000 is appropriated from the landfill cleanup account to the attorney general for the purposes of sections 1 and 5.

Sec. 7. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective January 1, 1997.

ARTICLE 3

Section 1. Minnesota Statutes 1992, section 115B.42, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The landfill cleanup account is established in the environmental fund in the state treasury. The account consists of money credited to the account and interest earned on the money in the account. Except as provided in section 115B.42, subdivision 2, clause (9), money in the account is annually appropriated to the commissioner for the purposes listed in subdivision 2.

(b) The commissioner of finance shall separately account for revenue deposited in the account from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

Sec. 2. Minnesota Statutes 1993 Supplement, section 115B.42, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] Subject to appropriation, (a) Money in the account may be spent for by the commissioner to:

- (1) inspection of inspect permitted mixed municipal solid waste disposal facilities to:
 - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
 - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
 - (iii) determine the boundaries of fill areas; and
- (2) response actions at mixed municipal solid waste disposal facilities under this chapter.
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.412, subdivision 3;

- (4) recover costs under sections 115B.39 and 115B.46;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.46;
- (6) enforce sections 115B.39 to 115B.46;
- (7) subject to appropriation, administer the agency's groundwater and solid waste management programs;
- (8) reimburse persons under section 115B.43; and
- (9) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414.

Sec. 3. Minnesota Statutes 1993 Supplement, section 116.07, subdivision 10, is amended to read:

Subd. 10. [SOLID WASTE ASSESSMENTS.] (a) For the purposes of this subdivision, "assessed waste" means mixed municipal solid waste as defined in section 115A.03, subdivision 21, infectious waste as defined in section 116.76, subdivision 12, pathological waste as defined in section 116.76, subdivision 14, industrial waste as defined in section 115A.03, subdivision 13a, and construction debris as defined in section 115A.03, subdivision 7.

(b) A person that collects mixed-municipal-solid assessed waste shall collect and remit to the commissioner of revenue a solid waste assessment from each of the person's customers as provided in paragraphs (b) (c) and (e) (d).

(b) (c) The amount of the assessment for each residential customer is \$2 per year. Each waste collector shall collect the assessment annually from each residential customer that is receiving waste collection service on July 1 of each year and shall remit the amount collected along with the collector's first remittance of the sales tax on solid waste collection services, described in section 297A.45, made after October 1 of each year. Any amount of the assessment that is received by the waste collector after October 1 of each year must be remitted along with the collector's next remittance of sales tax after receipt of the assessment.

(e) (d) The amount of the assessment for each nonresidential customer is 12 60 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the customer. Each waste collector shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount collected along with the next remittance of sales tax after receipt of the assessment.

(d) (e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 60 cents per noncompacted cubic yard or the equivalent to the operator of the facility to which the waste is delivered. The operator shall remit the assessments collected under this paragraph to the commissioner of revenue as though they were sales taxes under chapter 297A. This paragraph does not apply to a person who transports industrial waste generated by that person to a facility owned and operated by that person.

(f) The commissioner of revenue shall redesign sales tax forms for solid waste collectors to accommodate payment of the assessment. The commissioner of revenue shall deposit The amounts remitted under this subdivision in the environmental fund and shall credit four-sevenths of the receipts must be deposited in the state treasury and credited to the landfill cleanup account established in section 115B.42.

(e) (g) For the purposes of this subdivision, a "person that collects mixed municipal solid waste" means each person that pays is required to pay sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste.

(f) (h) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

(i) If less than \$25,000,000 is projected to be available in any fiscal year after fiscal year 1996 for expenditure from all sources for landfill cleanup and reimbursement costs under sections 115B.39 to 115B.46, by April 1 before the next fiscal year in which the shortfall is projected the agency shall certify to the commissioner of revenue the amount of the shortfall. To provide for the shortfall, the commissioner of revenue shall increase the assessment under paragraphs (d) and (e) effective the following July 1 and provide notice of the increased assessment to affected waste generators by May 1 following certification.

Sec. 4. [APPROPRIATION; TRANSFER.]

Subdivision 1. [APPROPRIATION.] \$90,000,000 is appropriated from the bond proceeds fund to the commissioner of the pollution control agency for capital costs of environmental response actions at eligible facilities.

Subd. 2. [TRANSFER.] The balance in the metropolitan landfill contingency action trust fund established under Minnesota Statutes, section 473.845, on the effective date of this section is transferred to the landfill cleanup account established under Minnesota Statutes, section 115B.42.

Sec. 5. [BOND SALE.]

(a) To provide the money appropriated in this act from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$90,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, the Minnesota Constitution, article XI, sections 4 to 7, and paragraph (b).

(b) Bonds may not be issued under this section in total amounts exceeding the following:

(1) by June 30, 1996, \$10,000,000;

(2) by June 30, 1998, \$35,000,000;

(3) by June 30, 2000, \$55,000,000; and

(4) by June 30, 2002, \$75,000,000.

Sec. 6. [EFFECTIVE DATE]

Section 3 is effective January 1, 1995.

ARTICLE 4

Section 1. Minnesota Statutes 1993 Supplement, section 115B.178, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION.] (a) The commissioner may issue determinations that certain actions proposed to be taken at real property subject to a release or threatened release of a hazardous substance or pollutant or contaminant will not constitute conduct associating the person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (d). Proposed actions that may be covered by a determination under this section include response actions approved by the commissioner to address the release or threatened release, actions to improve or develop the real property, loans secured by the real property, or other similar actions. A determination may be subject to terms and conditions deemed reasonable by the commissioner. When a person takes actions in accordance with a determination issued under this subdivision, the actions do not associate the person with the release for the purpose of section 115B.03, subdivision 3, clause (d).

(b) If a person requesting a determination proposes to take response actions at real property, the commissioner may also issue a determination under paragraph (a) that certain actions taken in the past at the real property did not constitute conduct associating the person with the release or threatened release for purposes of section 115B.03, subdivision 3, clause (d). Any such determination shall be limited to the represented facts of the past actions and shall not apply to actions that are not represented or disclosed. The determination may be subject to such other terms and conditions as the commissioner deems reasonable.

Sec. 2. Minnesota Statutes 1992, section 115C.03, subdivision 9, is amended to read:

Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:

(1) assist in determining whether a release has occurred; and

(2) assist in or supervise the development and implementation of reasonable and necessary response corrective actions.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) Assistance may include the issuance of a written determination that an owner or prospective buyer of real property will not be a responsible person under section 115C.021, if the commissioner finds the release came from a tank not located on the property. The commissioner may also issue a written confirmation that the real property was the site of a release and that the tank from which the release occurred has been removed or that the agency has issued a site closure letter and has not revoked that status. The issuance of the written determination or confirmation applies to tanks not on the property or removed only, and does not affect liability for releases from tanks that are on the property at the time of purchase. The written determination or confirmation extends to the successors and assigns of the person to whom it originally applied, if the successors and assigns are not otherwise responsible for the release.

(e) (d) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the account.

ARTICLE 5

Section 1. Minnesota Statutes 1992, section 115A.055, is amended to read:

115A.055 [OFFICE OF WASTE MANAGEMENT ENVIRONMENTAL ASSISTANCE.]

The office of ~~waste management~~ environmental assistance is an agency in the executive branch headed by a director appointed by the ~~governor~~ commissioner of the pollution control agency, with the advice and consent of the senate, to serve in the unclassified service. The director may appoint two assistant directors in the unclassified service and may appoint other employees, as needed, in the classified service. The office is a department of the state only for purposes of section 16B.37, subdivision 2.

Sec. 2. [OFFICE OF ENVIRONMENTAL ASSISTANCE; RETURN AND TRANSFER OF RESPONSIBILITIES.]

(a) The personnel, powers, duties, and furniture and equipment of the office of waste management transferred from it by reorganization order number 169 under Minnesota Statutes, section 16B.37, are hereby transferred to the office of environmental assistance subject to Minnesota Statutes, section 16B.37, subdivision 3.

(b) The solid and hazardous waste management personnel, powers, and duties of the metropolitan council under Minnesota Statutes, chapters 115A and 473, are transferred from the council to the office of environmental assistance subject to Minnesota Statutes, section 16B.37, subdivision 3.

(c) By February 15, 1995, the legislative commission on waste management shall propose legislation to conform existing statutes to the transfer in paragraph (b).

(d) Employees of the metropolitan council currently performing the duties under Minnesota Statutes, sections 473.149, 473.151, and 473.801 to 473.849 shall be given the option of filling positions to perform these duties at the office of environmental assistance. Employees so transferred shall not suffer a reduction in salary as a result of the transfer to state employment. For job seniority and benefit calculation purposes, the date of first employment with the state is the date on which services were first performed by the employee for the metropolitan council. Any sick leave, vacation time, or severance pay benefits accumulated by the affected employees under the policies of the metropolitan council shall carry over to state service. For positions transferred from the metropolitan council to the office of waste management, the commissioner of employee relations shall determine which positions are to be placed in the classified service and which are to be placed in the unclassified service, in accordance with Minnesota Statutes, chapter 43A. The commissioner shall allocate positions to appropriate classes in the state classification plan. Positions transferred with their incumbents do not create vacancies in state service. Employees transferred to unlimited classified positions are transferred to state service without examination. Employees transferred to unclassified positions must receive unclassified appointments under the provisions of Minnesota Statutes, chapter 43A. The commissioner of employee relations shall provide employees of the metropolitan council who are transferred to the office of waste management open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of employee relations shall provide employees of the metropolitan council who are transferred to the office of waste management the opportunity to purchase optional life and disability insurance in amounts equivalent to amounts previously purchased by a transferred employee or provided by the employer.

Sec. 3. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall make the following changes, with appropriate stylistic corrections, in Minnesota Statutes 1994 and subsequent editions of the statutes:

(1) change the words "office of waste management" and "office" to "director" and change "its," when it refers to the office of waste management, to "the director's" in Minnesota Statutes, sections 115A.06, subdivisions 13 and 14; 115A.072; 115A.152; 115A.154; 115A.156; 115A.165; 115A.45; 115A.48; 115A.51; 115A.52; 115A.54, subdivision 3; 115A.541; 115A.55; 115A.551; 115A.552; 115A.553; 115A.557; 115A.58; 115A.59; 115A.63; 115A.64; 115A.66; 115A.71; 115A.72; 115A.84; 115A.86; 115A.9162; 115A.917; 115A.961; 115A.97; and 115A.991;

(2) change the word "reviewing" authority" to "director" in Minnesota Statutes, sections 115A.83, subdivision 2; 115A.84, subdivisions 4 and 5; 115A.86, subdivisions 2, 3, and 5; 115A.87; 115A.89; 115A.893, subdivisions 3 and 4;

(3) change the word "its," when it refers to the reviewing authority, to "the director's" in Minnesota Statutes, sections 115A.84, subdivision 4, paragraph (c); and 115A.89, clause (3);

(4) change the word "it" to "the director" in Minnesota Statutes, section 115A.84, subdivision 4, paragraphs (a) and (c);

(5) delete the words "the office or" and delete "acting on behalf of the office" in Minnesota Statutes, section 115A.06, subdivisions 8 to 10;

(6) change the word "board" to "director" in Minnesota Statutes, section 115A.97, subdivision 5;

(7) delete the word "office" in Minnesota Statutes, section 115A.551, subdivision 7; and

(8) change the words "waste management" to "environmental assistance" in Minnesota Statutes, sections 115A.03, subdivisions 8a and 22a; 115D.03, subdivision 4; and 116C.03, subdivision 2.

ARTICLE 6

Section 1. Minnesota Statutes 1992, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D and completed after the effective date of this section for a proposed project that is located in the Mississippi river critical area north of the United States Army Corps of Engineers lock and dam number one must be submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph must list alternatives to the project that are environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the metropolitan council or a metropolitan agency as defined in section 473.121.

Sec. 2. [116G.151] [REQUIRED ENVIRONMENTAL ASSESSMENT WORKSHEET; FACILITIES IN MISSISSIPPI RIVER AREA.]

(a) Until completion of an environmental assessment worksheet that complies with the rules of the environmental quality board and this section, a state or local agency may not issue a permit for construction or operation of a metal materials shredding project with a processing capacity in excess of 20,000 tons per month that would be located in the Mississippi river critical area, as described in section 116G.15, upstream from United States Corps of Engineers Lock and Dam Number One.

(b) The pollution control agency is the responsible governmental unit for the preparation of an environmental assessment worksheet required under this section.

(c) In addition to the contents required under law and rule, an environmental assessment worksheet completed under this section must also include the following major categories:

- (1) effects of operation of the project, including vibrations and airborne particulates and dust, on the Mississippi river;
- (2) effects of operation of the project, including vibrations and airborne particulates and dust, on adjacent businesses and on residents and neighborhoods;
- (3) effects of operation of the project on barge and street traffic;
- (4) discussion of alternative sites considered by the project proposer for the proposed project, possible design modifications including site layout, and the magnitude of the project;
- (5) mitigation measures that could eliminate or minimize any adverse environmental effects of the proposed project;
- (6) impact of the proposed project on the housing, park, and recreational use of the river;
- (7) effects of waste and implication of the disposal of waste generated from the proposed project;
- (8) effects on water quality from the project operations, including wastewater generated from operations of the proposed project;
- (9) potential effects from fugitive emissions, fumes, dust, noise, and vibrations from project operations;
- (10) compatibility of the existing operation and proposed operation with other existing uses;
- (11) the report of the expert required by paragraph (g).

(d) In addition to the publication and distribution provisions relating to environmental assessment worksheets under law and rule, notice of environmental assessment worksheets performed by this section shall also be published in a newspaper of general circulation as well as community newspapers in the affected neighborhoods.

(e) A public meeting in the affected communities must be held on the environmental assessment worksheet prepared under this section. After the public meeting on the environmental assessment worksheet, there must be an additional 30-day period for review and comment on the environmental assessment worksheet.

(f) If the pollution control agency determines that information necessary to make a reasonable decision about potential of significant environmental impacts is insufficient, the agency shall make a positive declaration and proceed with an environmental impact statement.

(g) The pollution control agency shall retain an expert in the field of toxicology who is capable of properly analyzing the potential effects and content of any airborne particulates, fugitive emissions, and dust that could be produced by a metal materials shredding project. The pollution control agency shall obtain any existing reports or documents from a governmental entity or project proposer that analyzes or evaluates the potential hazards of airborne particulates, fugitive emissions, or dust from the construction or operation of a metal materials shredding project in preparing the environmental assessment worksheet. The agency and the expert shall prepare, as part of the report, a risk assessment of the types of metals permitted to be shredded as compared to the types of materials that are likely to be processed at the facility. In performing the risk assessment, the agency and the expert must consider any actual experience at similar facilities. The report must be included as part of the environmental assessment worksheet.

(h) If the pollution control agency determines that under the rules of the environmental quality board an environmental impact statement should be prepared, the pollution control agency shall be the responsible governmental unit for preparation of the environmental impact statement.

Sec. 3. [APPROPRIATION.]

\$75,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of the pollution control agency to hire the consultant required under section 2, and to prepare the environmental assessment worksheet required by section 2. The proposer will bear all other costs associated with the preparation of the environmental assessment worksheet."

Delete the title and insert:

"A bill for an act relating to the environment; establishing an environmental cleanup program for landfills; providing for buy-outs for insurers; increasing the solid waste generator fee; transferring the balance in the metropolitan landfill contingency action trust fund; authorizing the sale of bonds; renaming the office of waste management as the office of environmental assistance and providing for appointment of the director; transferring certain personnel, powers, and duties to the office of environmental assistance; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of environmental assistance; expanding the authority of the commissioner of the pollution control agency to issue determinations regarding liability for releases of hazardous substances and petroleum; requiring environmental review of certain projects; authorizing rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 115A.055; 115B.04, by adding a subdivision; 115B.42, subdivision 1; 115C.03, subdivision 9; 116G.15; and 281.17; Minnesota Statutes 1993 Supplement, sections 115B.178, subdivision 1; 115B.42, subdivision 2; 116.07, subdivision 10; and 281.13; proposing coding for new law in Minnesota Statutes, chapters 115B; and 116G."

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

House Conferees: JEAN WAGENIUS, PHYLLIS KAHN, HOWARD ORENSTEIN, CHUCK BROWN AND TERESA LYNCH.

Senate Conferees: STEVEN MORSE, TED A. MONDALE, GENE MERRIAM, JANET B. JOHNSON AND DENNIS R. FREDERICKSON.

Wagenius moved that the report of the Conference Committee on H. F. No. 3086 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; transferring certain personnel, powers, and duties back to the office of waste management; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of waste management; amending Minnesota Statutes 1992, sections 115.073; 115A.055; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 116G.15; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carlson	Cooper	Delmont	Evans
Anderson, R.	Beard	Bishop	Carruthers	Davids	Dempsey	Farrell
Asch	Bergson	Brown, C.	Clark	Dawkins	Dorn	Finseth
Battaglia	Bertram	Brown, K.	Commers	Dehler	Erhardt	Frerichs

Garcia	Jefferson	Lasley	Morrison	Ozment	Simoneau	Vickerman
Girard	Jennings	Leppik	Mosel	Pauly	Skoglund	Wagenius
Goodno	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Waltman
Greenfield	Johnson, R.	Limmer	Neary	Pelowski	Solberg	Weaver
Greiling	Johnson, V.	Lindner	Nelson	Perlt	Stanis	Wejcman
Gruenes	Kahn	Lourey	Ness	Peterson	Steensma	Wenzel
Gutknecht	Kalis	Luther	Olson, E.	Pugh	Sviggum	Winter
Hasskamp	Kelley	Lynch	Olson, K.	Reding	Swenson	Wolf
Haukoos	Kelso	Macklin	Olson, M.	Rest	Tomassoni	Worke
Hausman	Kinkel	Mahon	Onnen	Rhodes	Tompkins	Workman
Holsten	Klinzing	Mariani	Opatz	Rodosovich	Trimble	Spk. Anderson, I.
Hugoson	Knight	McCollum	Orenstein	Rukavina	Tunheim	
Huntley	Koppendraye	McGuire	Orfield	Sarna	Van Dellen	
Jacobs	Krinkie	Milbert	Osthoff	Seagren	Van Engen	
Jaros	Krueger	Molnau	Ostrom	Sekhon	Vellenga	

Those who voted in the negative were:

Dauner

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

CONFERENCE COMMITTEE REPORT ON 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.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2016, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2016 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) "Qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508; and

(10) Accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to (9); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1.

For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder.

Sec. 2. [332.30] [ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.]

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332.13, subdivision 2, clause (10), shall submit to the commissioner of commerce either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the state treasurer.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than \$100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagee as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

Sec. 3. [332.301] [BOND; BACKGROUND CHECK.]

The commissioner may accept an initial surety bond or deposit in an amount less than \$100,000 based upon the business plan of the accelerated mortgage payment provider, provided the commissioner obtains a third-party background check at the expense of the accelerated mortgage payment provider and from a source to be determined by the commissioner. The commissioner may require a third-party background check in connection with any accelerated mortgage payment provider at the expense of the accelerated mortgage payment provider, but no more often than annually.

Sec. 4. [332.302] [CONTRACTS; NOTICE TO MORTGAGOR.]

A contract entered into between an accelerated mortgage payment provider and a mortgagor shall be in writing and include all applicable terms and conditions including, but not limited to, all fees, costs, and charges. A conforming copy must be provided to the mortgagor before any fees in connection with the accelerated mortgage payment services are received by the accelerated mortgage payment provider. A contract shall provide that the arrangement between the accelerated mortgage payment provider and lender or lenders requires:

(1) that if the original terms of the mortgage, mortgage note, or escrow agreement are in default because of nonpayment by the accelerated mortgage payment provider, the lender or lenders mail or otherwise deliver to the mortgagor a written notice within 30 days of the default; and

(2) that a written summary of payments received by the accelerated mortgage payment provider by date and amount, payments made to the lender or lenders on behalf of the mortgagor by date and amount, and unremitted balance held by the accelerated mortgage payment provider be provided to the mortgagor at least annually or more frequently on a date or dates mutually agreed upon between the accelerated mortgage payment provider and mortgagor.

Sec. 5. [332.303] [SEGREGATED ACCOUNTS.]

A payment received by an accelerated mortgage payment provider from or on behalf of a client shall be held by the accelerated mortgage payment provider in a separate trust account clearly designated for client funds. The account shall be in a bank or other depository institution authorized or chartered under the laws of any state or of the United States. The accelerated mortgage payment provider shall not commingle funds held for payment to lenders with its own property or funds.

Sec. 6. [SERVICE PROVISION STUDY.]

The commissioner of commerce shall report by January 15, 1995, to the commerce and consumer protection committee in the senate and the financial institutions and insurance committee in the house, on the feasibility of requiring financial institutions to offer to mortgagors the option of making their payments on a semimonthly, biweekly, or other accelerated basis, at no additional charge or fee, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating accelerated mortgage payment services; requiring a bond or other security; permitting third-party background checks; regulating contracts and the handling of payments; segregating accounts; requiring a study; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332."

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

House Conferees: MARC ASCH, BOB JOHNSON AND GREGORY M. DAVIDS.

Senate Conferees: SAM G. SOLON, CAL LARSON AND DEANNA WIENER.

Asch moved that the report of the Conference Committee on H. F. No. 2016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3230

A bill for an act proposing an amendment to the Minnesota Constitution; dedicating part of tax on vehicles to public transit; expanding transportation purposes for which highway user tax proceeds may be used by the metropolitan area; providing for annual inflation adjustments to motor fuel tax rate contingent on approval of constitutional dedication of motor fuel excise tax revenues; amending the Minnesota Constitution, article XI, by adding a section; and article XIV, section 5; amending Minnesota Statutes 1992, section 296.02, by adding a subdivision; repealing Minnesota Statutes 1992, section 297B.09, subdivision 1.

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 3230, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3230 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES; SURCHARGE.] (a) The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

(b) The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall not exceed 40 miles per hour. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs designating the beginning and end of the affected work zone. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(c) For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances.

(d) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under paragraph (b) while on a trunk highway, or who violates any other provision of this section or section 169.141 while in a highway work zone on a trunk highway, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25. The surcharge must be deposited in the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 1992, section 360.305, subdivision 4, is amended to read:

Subd. 4. (1) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, these costs are referred to as project costs, in connection with which the assistance of the state is sought.

(2) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

- (a) the project costs,
- (b) acquisition costs of the land and clear zones, "acquisition costs."

Where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum.

(3) The commissioner may pay the total cost of radio and navigational aids.

(4) Notwithstanding clause (2), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.

(5) Notwithstanding clause (2), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this clause exceed five percent of the amount appropriated for construction grants.

(6) To receive aid under this section for acquisition costs the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public for a period of 20 years after the date that the state funds are received by the municipality. The agreement may contain other conditions as the commissioner deems reasonable.

(7) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. The commissioner shall transfer up to \$4,100,000 from the state airports fund to the hangar construction revolving account.

(8) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in clause (6).

(9) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 3. Minnesota Statutes 1992, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; ~~or~~ (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year.

Sec. 4. [ELECTRIC VEHICLE TECHNOLOGY STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall study, evaluate, and test road powered electric vehicle (RPEV) technology under the Saints Road Project in St. Cloud, Minnesota, in coordination with the St. Cloud Area Metropolitan Transit Commission. The commissioner shall make findings and recommendations to the transportation committees of the Minnesota senate and house of representatives specifically discussing: RPEV enhancement to and

cost comparisons for electric trolley bus applications, particularly regarding light rail transit; RPEV application as an intermodal system at the Minneapolis-St. Paul airport to replace the diesel truck passenger carrier operating between the terminal and car rental agencies; snow and ice removal testing and evaluation; and safety testing of the RPEV technology under consideration at the Saints Road Project.

(b) \$200,000 is appropriated from the trunk highway fund for fiscal year 1995 to the commissioner of transportation to study electric vehicle technology and to pay for the costs, not to exceed ten percent of this appropriation, of the office of transit of the department of transportation to oversee the project. The commissioner shall disburse money from this appropriation on a two-for-one matching basis, seeking federal funding as well as local matching money.

Sec. 5. [HIGH-SPEED RAIL CORRIDOR STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall initiate a phase-II feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois along the southern corridor identified in the tri-state study of high-speed rail service. The commissioner shall seek federal matching funds and contributions from nonpublic sources to finance the study. The commissioner may enter into agreements with the states of Wisconsin and Illinois to cooperate in financing and performing the study.

(b) The study outline must be agreed upon by the participating states and federal government and must include:

(1) collection of original and comprehensive origin-destination data;

(2) a comprehensive assessment of alternative technologies;

(3) engineering and environmental analysis, including route evaluations within the corridor, crossings, infrastructure needs, intermodal connections, and potential station locations;

(4) comprehensive financial and economic analysis;

(5) analysis of potential public-private partnerships; and

(6) an implementation plan and program for design and construction of a high-speed rail system.

(c) \$630,000 is appropriated from the general fund to the commissioner of transportation for the purposes of the phase-II high-speed rail study under this section. This appropriation is contingent upon the state of Wisconsin paying \$500,000 and receipt of federal matching money for the study.

Sec. 6. [APPROPRIATION; JOB SKILLS PARTNERSHIP.]

\$250,000 is appropriated to the Minnesota job skills partnership board for the purpose of funding the development and implementation of a program by the city of St. Paul which connects the economic development activities of the St. Paul Port Authority with the city of St. Paul's employment and job development programs. This employment connection program shall be administered by the port authority consistent with and subject to the program requirements of the Minnesota job skills partnership program. The appropriation is available until expended.

Sec. 7. [APPROPRIATION; STATE ROAD CONSTRUCTION.]

\$15,000,000 is appropriated from the trunk highway fund to the commissioner of transportation for state road construction in fiscal year 1995 and is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a).

Sec. 8. [APPROPRIATION; STATE ROAD OPERATIONS.]

\$5,500,000 is appropriated for fiscal year 1995 from the trunk highway fund to the commissioner of transportation for state road operations and is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 9.

Sec. 9. [APPROPRIATION; WORK ZONE SAFETY.]

\$25,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of transportation for highway work zone safety management and public education efforts to increase public awareness of highway work zone safety.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 9 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to transportation; imposing surcharge for violation of state highway work zone speed limit; allowing commissioner of transportation to transfer money from state airports fund to hangar construction revolving account; allowing metropolitan council to make loans for major river crossing projects; requiring studies; appropriating money; amending Minnesota Statutes 1992, sections 169.14, subdivision 5d; 360.305, subdivision 4; and 473.167, subdivision 2."

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

House Conferees: BERNARD L. "BERNIE" LIEDER, TOM OSTHOFF, BETTY MCCOLLUM, ALICE M. JOHNSON AND VIRGIL J. JOHNSON.

Senate Conferees: KEITH LANGSETH, CAROL FLYNN, FLORIAN CHMIELEWSKI, TERRY D. JOHNSTON AND JIM VICKERMAN.

Lieder moved that the report of the Conference Committee on H. F. No. 3230 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3230, A bill for an act proposing an amendment to the Minnesota Constitution; dedicating part of tax on vehicles to public transit; expanding transportation purposes for which highway user tax proceeds may be used by the metropolitan area; providing for annual inflation adjustments to motor fuel tax rate contingent on approval of constitutional dedication of motor fuel excise tax revenues; amending the Minnesota Constitution, article XI, by adding a section; and article XIV, section 5; amending Minnesota Statutes 1992, section 296.02, by adding a subdivision; repealing Minnesota Statutes 1992, section 297B.09, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey

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

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

RECESS

RECONVENED

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2351, A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, department of administration, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; making it a crime to engage in behavior that transmits the HIV virus; requiring dangerous repeat offenders to serve mandatory minimum terms; requiring inmates to contribute to costs of confinement; providing mandatory minimum sentences for certain criminal sexual conduct offenses; providing that certain sex offenders shall serve indeterminate sentences; making it a crime to possess a dangerous weapon in any courthouse and certain state public buildings; mandating that parents are responsible for providing health care to children; amending Minnesota Statutes

1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3, and by adding a subdivision; 126.02, subdivision 1; 144.125; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivisions 1 and 2; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding subdivisions; 609.52, subdivision 3; 609.5315, subdivision 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivisions 3a and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.101, by adding a subdivision; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 2, 6, and 14; 593.48; 609.11, subdivisions 4, 5, 7, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.378, subdivision 1; 609.531, subdivision 1; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; 626.556, subdivision 2; and 626.861, subdivision 4; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116J; 126; 144; 241; 243; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from

regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; transferring certain personnel, powers, and duties back to the office of waste management; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of waste management; amending Minnesota Statutes 1992, sections 115.073; 115A.055; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 116G.15; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3230, A bill for an act proposing an amendment to the Minnesota Constitution; dedicating part of tax on vehicles to public transit; expanding transportation purposes for which highway user tax proceeds may be used by the metropolitan area; providing for annual inflation adjustments to motor fuel tax rate contingent on approval of constitutional dedication of motor fuel excise tax revenues; amending the Minnesota Constitution, article XI, by adding a section; and article XIV, section 5; amending Minnesota Statutes 1992, section 296.02, by adding a subdivision; repealing Minnesota Statutes 1992, section 297B.09, subdivision 1.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:
S. F. No. 1706.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 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.

May 6, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1706, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1706 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RADIOACTIVE WASTE MANAGEMENT FACILITY AUTHORIZATION

Section 1. [116C.77] [LEGISLATIVE AUTHORIZATION FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATION AT PRAIRIE ISLAND.]

The legislature recognizes that:

(1) the Minnesota environmental quality board on May 16, 1991, reviewed and found adequate a final environmental impact statement ("EIS") on the proposal to construct and operate a dry cask storage facility for the temporary storage of spent nuclear fuel from the Prairie Island nuclear generating plant;

(2) the United States Nuclear Regulatory Commission reviewed and approved a safety analysis report on the facility and on October 19, 1993, granted a license for the facility; and

(3) the public utilities commission in docket no. E002/CN-91-91 reviewed the facility and approved a limited certificate of need approving the use of casks.

The Minnesota legislature in compliance with Minnesota Statutes, section 116C.72, hereby ratifies and approves the EIS and the limited certificate of need and authorizes the use of casks at Prairie Island in accordance with the terms and conditions of the certificate of need as modified by this act and without further environmental review under chapter 116D or further administrative review under section 216B.243.

Sec. 2. [116C.771] [ADDITIONAL CASK LIMITATIONS.]

(a) Five casks may be filled and used at Prairie Island immediately upon the effective date of this article.

(b) An additional four casks may be filled and used at Prairie Island if the environmental quality board determines that, by December 31, 1996, the public utility operating the Prairie Island plant has filed a license application with the United States Nuclear Regulatory Commission for a spent nuclear fuel storage facility off of Prairie Island in Goodhue county, is continuing to make a good faith effort to implement the site, and has constructed, contracted for construction and operation, or purchased installed capacity of 100 megawatts of windpower in addition to windpower under construction or contract on the effective date of this section.

(c)(1) An additional eight casks may be filled and placed at Prairie Island if the legislature has not revoked the authorization under clause (2) or the public utility has satisfied the wind power and biomass mandate requirements in article 3, section 2, subdivision 1, clause (1), and article 3, section 3, clause (1), and the alternative site in Goodhue county is operational or under construction. (2) If the site is not under construction or operational or the wind mandates are not satisfied, the legislature may revoke the authorization for the additional eight casks by a law enacted prior to June 1, 1999.

(d) Except as provided under paragraph (e), dry cask storage capacity for high-level nuclear waste within the state may not be increased beyond the casks authorized by section 1 or their equivalent storage capacity.

(e) This section does not prohibit a public utility from applying for or the public utilities commission from granting a certificate of need for dry cask storage to accommodate the decommissioning of a nuclear power plant within this state.

Sec. 3. [116C.772] [PUBLIC UTILITY RESPONSIBILITIES.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "public utility" means the public utility operating the Prairie Island nuclear generating plant.

Subd. 2. [DRY CASK ALTERNATIVES STUDY.] The public utility must submit to the legislative electric energy task force a reevaluation of all alternatives and combinations of those alternatives to dry cask storage.

Subd. 3. [WORKER TRANSITION PLAN.] The public utility must submit to the department of jobs and training a worker transition plan if there is a shutdown of the Prairie Island nuclear generating plant for longer than six months.

Subd. 4. [NUCLEAR POWER-PHASE OUT PLAN.] The public utility must submit to the electric energy task force a detailed plan for the phase-out of all nuclear power generated by the utility.

Subd. 5. [DECOMMISSIONING PLAN.] The public utility must submit to the electric energy task force a decommissioning plan for TN-40 storage casks after the casks are emptied of spent fuel.

Sec. 4. [116C.773] [CONTRACTUAL AGREEMENT.]

The authorization for dry casks contained in section 1 is not effective until the governor, on behalf of the state, and the public utility operating the Prairie Island nuclear plant enter into an agreement binding the parties to the terms of sections 2 and 3 and the mandate for 200 megawatts of windpower and 75 megawatts of biomass required by December 31, 2002, in article 3, section 2, subdivision 1, and section 3. The Mdewakanton Dakota Tribal Council at Prairie Island is an intended third-party beneficiary of this agreement and has standing to enforce the agreement.

Sec. 5. [116C.774] [AUTHORIZATION.]

To the extent that the radioactive waste management act, Minnesota Statutes, section 116C.72, requires legislative authorization of the operation of certain facilities, this section expressly authorizes the continued operation of the Monticello nuclear generating plant spent nuclear fuel pool storage facility and the Prairie Island nuclear generating plant spent nuclear fuel pool storage facility.

Sec. 6. [116C.775] [SHIPMENT PRIORITIES; PRAIRIE ISLAND.]

If a storage or disposal site becomes available outside of the state to accept high-level nuclear waste stored at Prairie Island, the waste contained in dry casks shall be shipped to that site before the shipment of any waste from the spent nuclear fuel storage pool. Once waste is shipped that was contained in a cask, the cask must be decommissioned and not used for further storage.

Sec. 7. [116C.776] [ALTERNATIVE CASK TECHNOLOGY FOR SPENT FUEL STORAGE.]

If the public utilities commission determines that casks or other containers that allow for transportation as well as storage of spent nuclear fuel exist and are economically feasible for storage and transportation of spent nuclear fuel generated by the Prairie Island nuclear power generating plant, the commission shall order their use to replace use of the casks that are only usable for storage, but not transportation. If the commission orders use of dual-purpose casks under this section, it must authorize use of a number of dual-purpose casks that provides the same total storage capacity that is authorized under this article; provided, that the total cask storage capacity permitted under this article may not exceed the capacity of the TN-40 casks authorized under section 1.

Sec. 8. [116C.777] [SITE.]

The spent fuel contents of dry casks located on Prairie Island must be moved immediately upon the availability of another site for storage of the spent fuel that is not located on Prairie Island.

Sec. 9. [116C.778] [RERACKING.]

The spent fuel storage pool at Prairie Island may be reracked a third time. The reracking does not require legislative authorization but is subject to other applicable state review. The additional storage capacity added by the third reracking and utilized when added to the total storage capacity of dry cask storage utilized, cannot exceed the total capacity of 17 TN-40 casks.

Sec. 10. [116C.779] [FUNDING FOR RENEWABLE DEVELOPMENT.]

The public utility that operates the Prairie Island nuclear generating plant must transfer to a renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the independent spent fuel storage installation at Prairie Island after January 1, 1999. The fund transfer must be made if waste is stored in a cask for any part of a year. Funds in the account can only be expended for development of renewable energy sources.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

ECONOMIC REGULATION OF NUCLEAR POWER PLANTS

Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that there is great uncertainty over the means and costs of disposing of radioactive wastes generated at nuclear-powered electric generating plants. Current and future electric ratepayers are at risk to pay for these uncertain and potentially enormous costs. These costs could cause economic hardship for the citizens of this state and damage economic growth. For these reasons the legislature finds it necessary to protect its citizens against these costs. While these potential costs do not currently warrant closing an operating nuclear power plant, they do warrant a moratorium on new nuclear plant construction and closer monitoring of operating nuclear power plants.

Sec. 2. Minnesota Statutes 1992, section 216B.243, is amended by adding a subdivision to read:

Subd. 3b. [NUCLEAR POWER PLANT; NEW CONSTRUCTION PROHIBITED.] The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

Sec. 3. [216B.244] [NUCLEAR PLANT CAPACITY REQUIREMENTS.]

A reactor unit at a nuclear power electric generating plant that has an annual load capacity factor of less than 55 percent for each of three consecutive calendar years must be shut down and cease operating no later than 500 days after the end of the third such consecutive calendar year. For the purposes of this section, "load capacity factor" means the ratio between a reactor unit's average load and its peak load.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

ENERGY CONSERVATION AND RENEWABLES

Section 1. Minnesota Statutes 1992, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 5 percent of its gross operating revenues from service provided in the state; and

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

(b) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 116C.54 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions. A public utility may appeal a decision of the commissioner under this paragraph to the commission under subdivision 2. In reviewing a decision of the commissioner under this paragraph, the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective programs; or

(2) otherwise not be in the public interest.

(c) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 2. [216B.2423] [WIND POWER MANDATE.]

Subdivision 1. [MANDATE.] A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate: (1) 225 megawatts of electric energy installed capacity generated by wind energy conversion systems within the state by December 31, 1998; and (2) an additional 200 megawatts of installed capacity so generated by December 31, 2002.

For the purpose of this section, "wind energy conversion system" has the meaning given it in section 216C.06, subdivision 12.

Subd. 2. [RESOURCE PLANNING MANDATE.] The public utilities commission shall order a public utility subject to subdivision 1, to construct and operate, purchase, or contract to purchase an additional 400 megawatts of electric energy installed capacity generated by wind energy conversion systems by December 31, 2002, subject to resource planning and least cost planning requirements in Minnesota Statutes, section 216B.2422.

Sec. 3. [216B.2424] [BIOMASS POWER MANDATE.]

A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear powered electric generating plant within this state must, by December 31, 1998, construct and operate, purchase, or contract to construct and operate (1) 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass; and (2) an additional 75 megawatts of installed capacity so generated by December 31, 2002.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995.

Sections 2 and 3 are effective the day following final enactment.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 216A.03, is amended by adding a subdivision to read:

Subd. 6. [RECORD OF PROCEEDINGS.] An audio magnetic recording device shall be used to keep a record of all proceedings before the commission unless the commission provides a hearing reporter to record the proceeding.

Sec. 2. Minnesota Statutes 1992, section 216B.16, subdivision 8, is amended to read:

Subd. 8. [ADVERTISING EXPENSES.] The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(a) is designed to influence or has the effect of influencing public attitudes towards legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the public utilities commission or other agency of government responsible for regulating a public utility;

(b) is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(c) is designed primarily to promote consumption of the services of the utility; ~~or~~

(d) is designed primarily to promote good will for the public utility or improve the utility's public image; or

(e) is designed to promote the use of nuclear power or to promote a nuclear waste storage facility.

The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

(a) is designed to encourage conservation of energy supplies;

(b) is designed to promote safety; or

(c) is designed to inform and educate customers as to financial services made available to them by the public utility.

The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners.

Sec. 3. Minnesota Statutes 1992, section 216B.16, is amended by adding a subdivision to read:

Subd. 14. [LOW-INCOME DISCOUNT ELECTRIC RATES.] A public utility shall provide a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for a low-income residential customer. For the purposes of this subdivision, "low-income" means a customer who is receiving assistance from the federal low-income home energy assistance program. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the discount rate program on a timely basis.

Sec. 4. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 1c. [ENERGY-SAVING GOALS.] The commissioner shall establish energy-savings goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1995.

ARTICLE 5

ELECTRIC ENERGY TASK FORCE

Section 1. [216C.051] [LEGISLATIVE ELECTRIC ENERGY TASK FORCE.]

Subdivision 1. [FINDINGS.] The legislature finds that it needs more information on the future management of high-level radioactive waste, the costs of that management, and the technical and economic feasibility of utilizing alternative energy resources. Before any legislative determinations may be reasonably made that are more specific than the determinations made in this act, the legislature needs detailed, credible, and reliable information on these issues.

Subd. 2. [ESTABLISHMENT.] (a) There is established a legislative electric energy task force to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) eight members of the house of representatives including the chairs of the environment and natural resources and regulated industries and energy committees and six members to be appointed by the speaker of the house, two of whom must be from the minority caucus;

(2) eight members of the senate including the chairs of the environment and natural resources and jobs, energy, and community development committees and six members to be appointed by the subcommittee on committees, two of whom must be from the minority caucus.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the legislative coordinating commission shall assist the task force in administrative matters. The task force shall elect co-chairs, one member of the house and one member of the senate from among the committee chairs named to the committee.

Subd. 3. [FUTURE ENERGY SOLUTIONS; TECHNICAL AND ECONOMIC ANALYSIS.] In light of the electric energy guidelines established in subdivision 7 and in light of existing conservation improvement programs and plans, utility resource plans, and other existing energy plans and analyses, the legislative task force on energy shall undertake an analysis of the technical and economic feasibility of an electric energy future for the state that relies on environmentally and economically sustainable and advantageous electric energy supply. The task force shall contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the public utilities commission, the administrative law judge, the state court of appeals, or the United States Nuclear Regulatory Commission related to the dry cask storage proposal on Prairie Island.

The analysis must address at least the following:

(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost effective demand side management and generation and distribution efficiencies;

(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and at what cost;

(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;

(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;

(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;

(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;

(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;

(8) can an approach be developed that moves quickly to development and implementation of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale;

(9) in what specific ways can the state assist regional energy suppliers accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state;

(10) whether there is a need to establish additional dislocated worker assistance for workers at the Prairie Island nuclear power plant; if so, how that assistance should be structured;

(11) can the state monitor, evaluate, and affect federal actions relating to permanent storage of high level radioactive waste; what actions by the state over what period of time would expedite federal action to take responsibility for the waste;

(12) should the state establish a legislative oversight commission on energy issues; should the responsibilities of an oversight commission be coordinated with the activities of the public utilities commission and the department of public service and if so, how; and

(13) is it feasible to convert existing nuclear power and coal-fired electric generating plants to utilization of energy sources that result in significantly less environmental damage; if so, what are the short-term and long-term costs and benefits of doing so; how do shorter or longer time periods for conversion affect the cost/benefit analysis.

Subd. 4. [RADIOACTIVE WASTE MANAGEMENT; FUTURE AND ECONOMIC ANALYSIS.] The legislative task force shall analyze the future of and the economic effects of the continued generation of electric power and radioactive waste at the Prairie Island nuclear power plant. The task force shall include in its report under subdivision 5, a specific discussion of:

(1) when radioactive waste will be removed from Prairie Island for permanent storage outside of the state, who will bear the costs of the future management of the radioactive waste generated by the Prairie Island nuclear generating plant; when that shift in responsibility is likely to occur; and to what extent utility ratepayers and shareholders and state taxpayers will be shielded from the costs to manage the waste in the future;

(2) the probability of an accident and the extent to which persons who may be at risk of personal injury or property damage due to foreseeable or unforeseeable catastrophic events that may allow the release of radioactivity from the nuclear power plant and associated activities could be fully compensated for the injuries or damage and by whom;

(3) a range of reasonable estimates of the costs to manage radioactive waste generated by the nuclear power plant under scenarios to be developed by the task force, ranging from monitoring the waste in the storage pool at Prairie Island to removal of waste from the state beginning in 1998 to permanent storage of the waste in the state; to the extent those costs will necessarily fall on present and future utility ratepayers and shareholders and state taxpayers, how to ensure they can be met without catastrophic disruption of the state's economy in the future; and whether funds should be set aside to ensure that present ratepayers pay the future costs of radioactive waste management based on volume of usage of electricity rather than on the rate structure of the utility;

(4) whether reprocessing and reuse of spent nuclear fuel generated by the Prairie Island nuclear generating plant is technically and economically feasible; if so, how to encourage development of reprocessing and reuse;

(5) whether emerging nuclear technologies, such as integral fast reactors, which can generate electricity without environmental damage while producing no or minimal radioactive waste, are economically feasible and practical electric energy alternatives in the foreseeable future and, if so, how to encourage and take advantage of such technologies;

(6) if the waste is likely to be removed from the state, whether technologies are likely to be economically feasible in the relatively near future for minimizing the handling of the waste and minimizing contamination of additional materials that will need special management prior to transport out of the state, including the availability of combination storage and transport containers;

(7) if the waste is unlikely to be removed from the state or if waste will need to be indefinitely stored outside the power plants after decommissioning, whether sites for storage of the waste outside the structure of the Prairie Island power plant potentially can be found that minimize economic and social disruption, maximize environmental, health, and safety protection, minimize transportation distance, and place the burden of storage of the waste on those communities that enjoy the immediate economic benefits of the existence and operation of the power plants; if potential sites exist, what process should be used to identify and utilize them if necessary; the entity that is searching for an alternative site within the state for the disposal of spent nuclear fuel from the Prairie Island nuclear generating plant, is seeking permits for the site, or is constructing the site shall report progress on those activities every six months to the task force commencing January 1, 1995;

(8) factors to be used in siting a high-level radioactive waste management facility to include at least:

(i) the proximity of the site to residents and businesses;

(ii) the proximity of the site to surface waters;

(iii) the vulnerability of the site to tornadoes and other natural phenomena;

(iv) the benefits received and the costs incurred by the host and adjacent communities due to operation of the nuclear generating facility that produced the high-level radioactive waste to be managed at the proposed facility;

(v) the benefits received and costs incurred by the host and adjacent communities due to operation of the proposed waste management facility; and

(vi) the availability of transportation routes between the nuclear generating plant and the proposed waste management facility; and

(9) federal law related to the interstate transportation of high-level radioactive waste and how that law may operate in relation to an independent spent fuel storage installation located in the state.

Subd. 5. [REPORT AND RECOMMENDATIONS.] (a) The legislative task force may contract with independent experts, none of whom can have been involved in any capacity in any of the proceedings before the public utilities commission, the administrative law judge, or the court of appeals related to dry cask storage at Prairie Island or in any proceedings related to the license for the facility granted by the United States Nuclear Regulatory Commission, to assist it with analysis of items and issues listed in subdivisions 3 and 4.

(b) The legislative task force shall convene a separate balanced group of experts in the fields of energy production and distribution and energy economics from within and without the state to include experts formerly or currently employed by the department of public service and/or the public utilities commission, an economist employed by the residential and small business division of the office of the attorney general, electric energy experts employed by utilities, experts from other states that have begun to implement policies for utilizing indigenous, sustainable energy sources, experts from public advocacy groups, and others to be determined by the task force. The task force shall request the group of experts to assist it in publicly examining and analyzing information received from the independent experts and in preparing the report required in paragraph (c).

(c) By January 15, 1996, the task force shall submit a report to the chairs of the committees in the house and in the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of plans and analyses that have been prepared, a critique of how those plans and analyses will assist in implementation of the energy conservation and sources for generation policies and goals in Minnesota Statutes, chapters 216B and 216C, and specific recommendations for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, sustainable, and economic electric power for the long term while utilizing, to the maximum reasonable extent, energy resources that are available or producible within the state and while developing, maintaining, and strengthening a viable and robust energy and utility infrastructure.

(d) By February 1, 1995, the task force shall submit to the chairs of the committees specified in paragraph (c), a preliminary report that provides:

(1) an overview of the current status of energy planning and implementation of those plans by state agencies and utilities, along with an analysis of the extent to which existing statutory energy policies and goals are being met for electric energy consumed in the state;

(2) an analysis of and any recommendations for adjustments to the specific targets set in section 1, subdivisions 4 and 5, relating to energy savings, electric generation sources for replacement and additional capacity needs, and development of wind and biomass energy sources; and

(3) as much information as the task force has been able to gather on future high-level radioactive waste management and transportation, including technologies and costs.

Subd. 6. [ASSESSMENT; APPROPRIATION.] On request by the co-chairs of the legislative task force and the director of the legislative coordinating commission, the commissioner of the department of public service shall assess from electric utilities, in addition to assessments made under Minnesota Statutes, section 216B.62, the amount requested for the studies and analysis required in subdivisions 3 and 4 and for operation of the task force not to exceed \$350,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes.

Subd. 7. [GUIDELINES; PREFERRED ELECTRIC GENERATION SOURCES; DEFINITIONS.] (a) The legislative task force on electric energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.

(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.

(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long-term negative environmental, social, and economic burdens imposed by the specific energy sources, are:

(1) wind and solar;

(2) biomass and low-head or refurbished hydropower;

(3) decomposition gases produced by solid waste management facilities, natural gas-fired cogeneration, and waste materials or byproducts combined with natural gas;

(4) natural gas, hydropower that is not low-head or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and

(5) coal and nuclear power.

(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.

(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.

(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).

(g) For the purposes of this section:

(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and

(2) "low-head hydropower" means a hydropower facility that has a head of less than 66 feet.

Subd. 8. [SUBPOENA POWER.] The task force may issue a subpoena under Minnesota Statutes, section 3.153, to any person for production of information held by that person that is relevant to the work of the task force.

Subd. 9. [REPEALER.] This section is repealed June 30, 2000.

ARTICLE 6

ALTERNATIVE SITE

Section 1. [116C.80] [HIGH-LEVEL RADIOACTIVE WASTE; SPENT NUCLEAR FUEL STORAGE; ALTERNATIVE SITE.]

Subdivision 1. [DEFINITION; DRY CASK STORAGE FACILITY.] For the purposes of this section, "dry cask storage facility" or "facility" means a high-level radioactive waste facility that is located in Goodhue county but not on Prairie Island for storage of spent nuclear fuel produced by a nuclear reactor at the Prairie Island nuclear power generating plant.

Subd. 2. [CERTIFICATE OF SITE COMPARABILITY.] Prior to construction of a dry cask storage facility, the public utility that operates the nuclear power generating power plant at Prairie Island shall obtain a certificate from the environmental quality board that the site for the facility is comparable to the independent spent fuel storage facility site located on Prairie Island for which the public utilities commission granted a certificate of need in docket number E002/CN-91-91.

Subd. 3. [REVIEW BY THE BOARD.] The board shall review the siting procedures and considerations for siting large energy electric generating plants under sections 116C.51 to 116C.69 and rules adopted under those sections and shall adopt, by resolution, after a public comment period, those procedures, considerations, and rules it determines are necessary to designate a site for a dry cask storage facility and to issue a certificate of site comparability. The siting procedures and considerations must provide for an opportunity for all interested persons to participate."

Delete the title and insert:

"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; 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; creating a legislative electric energy task force; appropriating money;

amending Minnesota Statutes 1992, sections 216A.03, by adding a subdivision; 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a, and by adding a subdivision; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; and 216C."

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

Senate Conferees: STEVEN G. NOVAK, JAMES P. METZEN, STEVE DILLE, STEVE L. MURPHY AND PHIL J. RIVENESS.

House Conferees: LOREN JENNINGS, LYNDON R. CARLSON AND VIRGIL J. JOHNSON.

Jennings moved that the report of the Conference Committee on S. F. No. 1706 be adopted and that the bill be repassed as amended by the Conference Committee.

Dawkins moved that the House refuse to adopt the Conference Committee report on S. F. No. 1706, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Dempsey and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Carruthers moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Dawkins motion and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Evans	Greiling	Jefferson	Lourey	Milbert
Asch	Brown, K.	Farrell	Hasskamp	Johnson, R.	Mariani	Munger
Battaglia	Clark	Garcia	Hausman	Kahn	McCollum	Murphy
Bergson	Dawkins	Greenfield	Jaros	Kelley	McGuire	Neary

Olson, K.	Ostrom	Rhodes	Sarna	Steensma	Wagenius	Spk. Anderson, I.
Opatz	Pauly	Rice	Sekhon	Tompkins	Wejcmnan	
Orenstein	Pugh	Rodosovich	Simoneau	Trimble	Wenzel	
Orfield	Rest	Rukavina	Skoglund	Vellenga	Winter	

Those who voted in the negative were:

Anderson, R.	Dehler	Holsten	Koppendrayer	Molnau	Perlt	Van Engen
Bauerly	Delmont	Hugoson	Krinkie	Morrison	Peterson	Vickerman
Beard	Dempsey	Huntley	Krueger	Mosel	Reding	Waltman
Bertram	Dorn	Jacobs	Lasley	Nelson	Seagren	Weaver
Bettermann	Erhardt	Jennings	Leppik	Ness	Smith	Wolf
Bishop	Finseth	Johnson, A.	Lieder	Olson, E.	Solberg	Worke
Carlson	Frerichs	Johnson, V.	Limmer	Olson, M.	Stanis	Workman
Carruthers	Girard	Kalis	Lindner	Onnen	Sviggum	
Commers	Goodno	Kelso	Luther	Osthoff	Swenson	
Cooper	Gruenes	Kinkel	Lynch	Ozment	Tomassoni	
Dauner	Gutknecht	Klinzing	Macklin	Pawlenty	Tunheim	
Dauids	Haukoos	Knight	Mahon	Pelowski	Van Dellen	

The motion did not prevail.

The question recurred on the Jennings motion that the report of the Conference Committee on S. F. No. 1706 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krueger	Ness	Rukavina	Van Engen
Anderson, R.	Delmont	Huntley	Lasley	Olson, E.	Seagren	Vickerman
Bauerly	Dempsey	Jacobs	Leppik	Olson, M.	Simoneau	Waltman
Beard	Dorn	Jennings	Lieder	Onnen	Smith	Weaver
Bertram	Erhardt	Johnson, A.	Limmer	Opatz	Solberg	Wolf
Bettermann	Finseth	Johnson, V.	Lindner	Osthoff	Stanis	Worke
Bishop	Frerichs	Kalis	Lynch	Ozment	Steensma	Workman
Carlson	Girard	Kelso	Macklin	Pawlenty	Sviggum	Spk. Anderson, I.
Carruthers	Goodno	Kinkel	Mahon	Pelowski	Swenson	
Commers	Gruenes	Klinzing	Molnau	Perlt	Tomassoni	
Cooper	Gutknecht	Knight	Morrison	Peterson	Tompkins	
Dauner	Haukoos	Koppendrayer	Mosel	Reding	Tunheim	
Dauids	Holsten	Krinkie	Nelson	Rhodes	Van Dellen	

Those who voted in the negative were:

Asch	Brown, C.	Dawkins	Garcia	Hasskamp	Jefferson	Kelley
Battaglia	Brown, K.	Evans	Greenfield	Hausman	Johnson, R.	Lourey
Bergson	Clark	Farrell	Greiling	Jaros	Kahn	Luther

Mariani	Munger	Orenstein	Pugh	Sarna	Vellenga	Winter
McCollum	Murphy	Orfield	Rest	Sekhon	Wagenius	
McGuire	Neary	Ostrom	Rice	Skoglund	Wejcman	
Milbert	Olson, K.	Pauly	Rodosovich	Trimble	Wenzel	

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

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:
S. F. No. 2168.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2168

A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172, section 7, subdivision 3.

May 5, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2168, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2168 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 17.03, is amended by adding a subdivision to read:

Subd. 7a. [NONTRADITIONAL AGRICULTURE; PROMOTION.] (a) The commissioner shall devise means of advancing the production and marketing of nontraditional agricultural products of the state. The commissioner shall also seek the cooperation and involvement of every department or agency of the state, and such public and nonpublic organizations as the commissioner deems appropriate, for the promotion of nontraditional agricultural products.

- (b) The production and marketing of nontraditional agricultural products are considered agricultural pursuits.
- (c) Except as otherwise provided in law, the commissioner may adopt appropriate rules concerning health standards for nontraditional agriculture.
- (d) Except as otherwise provided in law, the slaughter of all meat producing animals, fowl, or fish that are nontraditional agriculture intended for sale in commercial outlets must occur at an inspected slaughterhouse.
- (e) Except as otherwise provided in law, it is the responsibility of an owner to take all reasonable actions to maintain the nontraditional agriculture on property owned or leased by the owner, including the construction of fences, enclosures, or other barriers, and housing of a suitable design.
- (f) For purposes of this subdivision "nontraditional agriculture" and "nontraditional agricultural products" includes but is not limited to aquaculture as defined in section 17.47, subdivision 2, and the production of animals domesticated from wild stock, either native or nonnative, that are kept in confinement by the owner.

Sec. 2. [17.139] [MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.]

The commissioner shall develop memoranda of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

- (1) when appropriate, advance notice to the agricultural use landowner or operator;
- (2) procedures for notification of the inspection results or conclusions to the owner or operator; and
- (3) special procedures as might be necessary, such as to prevent the introduction of diseases.

Sec. 3. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Sec. 4. [41B.045] [VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

- (1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.
- (2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. [REVOLVING FUND.] There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. [ELIGIBILITY.] To be eligible for this program a borrower must:

- (1) be a resident of Minnesota or a domestic family farm corporation as defined in section 500.24, subdivision 2;
- (2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;
- (3) demonstrate an ability to repay the loan; and
- (4) meet any other requirements which the authority may impose by rule.

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

Subd. 6. [RULES.] The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 5. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) ~~The offer and sale by a cooperative association organized under chapter 308A or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise.~~

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 6. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 7. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [FARM MACHINERY.] From July 1, 1994, until June 30, 1995, the gross receipts from the sale of used farm machinery are exempt.

Sec. 8. [346.58] [DOGS AND CATS; BEST MANAGEMENT STANDARDS FOR CARE BY DEALERS, COMMERCIAL BREEDERS, AND BROKERS.]

The commissioner of agriculture shall consult with interested persons, including but not limited to persons representing dog and cat dealers, breeders, and brokers, the Minnesota federated humane society, the Minnesota council for dog clubs, the American dog owners association, the board of animal health, the Minnesota purebred dog breeders association, the Minnesota citizens for animal care, the United States Department of Agriculture, and the Minnesota veterinary medical association. The commissioner shall issue an order containing best management standards of care for dogs and cats by dealers, commercial breeders, and brokers. These standards are not subject to chapter 14. The commissioner shall urge dealers, commercial breeders, and brokers to follow the standards issued in the order.

Sec. 9. [DOGS AND CATS; CARE RECOMMENDATIONS.]

The commissioner of agriculture shall make recommendations to the 1995 legislature on changes to statutory dog and cat care standards in relation to the commercial breeding and sale of dogs and cats. The commissioner shall recommend enacting into law standards that, if violated, are serious enough to warrant a civil or criminal penalty and shall also recommend changes in law to improve the ease of enforcement in Minnesota Statutes, sections 325F.79 to 325F.792, and other laws related to animal cruelty.

Sec. 10. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

2,142,000 1,142,000

Summary by Fund

General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims accumulated through June 30, 1993.

\$1,000,000 is appropriated to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdivision 2, in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$183,000 the first year and \$183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 11. [FARM AND SMALL BUSINESS INTEREST BUY-DOWN PROGRAMS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 11 to 18.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 12 and any further qualifications that may be announced by the commissioner.

Subd. 4. [FARMER.] "Farmer" means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 5. [FARM LOAN.] "Farm loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Subd. 6. [INTEREST BUY-DOWN.] "Interest buy-down" means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 7. [LENDER.] "Lender" means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 8. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Subd. 9. [SMALL BUSINESS.] "Small business" means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.

Subd. 10. [SMALL BUSINESS LOAN.] "Small business loan" means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Sec. 12. [ELIGIBILITY; FARM LOAN.]

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 13. [ELIGIBILITY; SMALL BUSINESS LOAN.]

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business suffered significant losses during 1993 from a natural disaster and the small business faces economic stress without the assistance of the small business loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 14. [LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. [RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN.] A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 12 and 13.

Subd. 3. [MAXIMUM INTEREST RATE.] To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. [PRIORITY.] Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

Sec. 15. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of sections 11 to 18, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions, including forms for the statement required under section 18, to all lenders in the state.

Subd. 3. [APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT.] (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 16. [STATE CONTRIBUTION; MAXIMUM LOAN.]

The commissioner shall pay to a participating lender for the first \$50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed \$2,250 per farm or small business loan.

Sec. 17. [LENDER CONTRIBUTION.]

A participating lender shall provide a reduction in interest rate for the first \$50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

Sec. 18. [BORROWER STATEMENT.]

No person may receive a farm or small business loan under sections 11 to 18 until the person has signed a statement acknowledging that the relief provided in the interest buy-down program is a form of government spending that has been made available to the person through the collection of taxes. The commissioner must retain a copy of the statement from each recipient.

Sec. 19. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) 5,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 11 to 18. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in section 22. Not more than \$200,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.

Sec. 20. [APPROPRIATION; GRAIN GRADING AND TESTING EQUIPMENT; PILOT CHECK-TEST PROGRAM.]

(a) \$250,000 is appropriated from the general fund to the commissioner of agriculture as supplemental funding for activities of the grain inspection and weighing programs of the department. The additional funding is for a thorough, properly documented, review of the accuracy of equipment used by country elevators to test grain for determination of price. The sample selection, equipment testing, and analytical procedures must be performed using commonly accepted protocols. Tolerances to be used for determination of a re-test are those adopted in rule pursuant to Minnesota Statutes, section 17B.041.

(b) The pilot check-testing program must be conducted throughout the agricultural areas of the state at country elevators selected by the commissioner. Country elevators in the selected counties must undergo check-testing an average of four times per year, including both peak harvest periods and nonharvest periods. Check-testing must include all grains the elevator handles in significant quantity.

(c) Not later than February 15, 1996, the commissioner shall report to the committees of the Minnesota senate and house of representatives on the activities and findings of the pilot check-test program, along with recommendations for ways to assure increased accuracy in grain testing.

(d) This appropriation is available until December 31, 1995.

Sec. 21. [APPROPRIATION; FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.]

\$2,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993.

Sec. 22. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

\$2,000,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.

Sec. 23. [APPROPRIATION; WHEAT SCAB RESEARCH.]

\$477,000 is appropriated from the general fund to the University of Minnesota for the fiscal biennium ending June 30, 1995, for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Sec. 24. [APPROPRIATION; FARM ADVOCATES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 25. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

(a) \$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for grants to agricultural information centers. No match is needed for the release of these supplemental state dollars. This appropriation is available until June 30, 1995.

(b) For money appropriated in Laws 1993, chapter 172, section 7, subdivision 4, for agricultural information centers, a match is not required for fiscal year 1994 appropriations and a match of four state dollars for each \$1 of matching nonstate money is required for fiscal year 1995 appropriations.

Sec. 26. [APPROPRIATION; LEGAL ASSISTANCE TO FARMERS.]

\$200,000 is appropriated from the general fund to the supreme court as supplemental funding for legal assistance to farmers in accordance with Minnesota Statutes, section 480.242, subdivision 5. This appropriation is available until June 30, 1995. This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received.

Sec. 27. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; STATE BOARD OF TECHNICAL COLLEGES.]

(a) \$150,000 is appropriated from the general fund to the state board of technical colleges for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) for teleconferencing to provide information to farm and small business operators from federal and state agencies; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The board must coordinate the delivery of services with the Minnesota extension service to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 28. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION SERVICE.]

(a) \$100,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) by the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The Minnesota extension service must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 29. [APPROPRIATION; SMALL BUSINESS DISASTER REVOLVING LOAN FUND.]

\$900,000 is appropriated from the general fund to the commissioner of trade and economic development to supplement funding of programs through the federal Economic Development Administration. Use of these funds may include providing local matches to federal dollars through the regional development commissions or alternative groups. This appropriation is available until June 30, 1995.

Sec. 30. [APPROPRIATION; ETHANOL PRODUCTION.]

\$1,475,000 is appropriated from the general fund to the ethanol development fund.

Sec. 31. [APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

\$1,000,000 is appropriated from the general fund to the agricultural utilization research institute for programs targeted to crops or regions that suffered losses in 1993. This appropriation is available until June 30, 1995.

Sec. 32. [APPROPRIATION; DAIRY LITIGATION.]

(a) \$55,000 is appropriated from the general fund to the supreme court as a one-time appropriation for family farm legal assistance for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). This appropriation shall be in addition to other

appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received. This appropriation is available until June 30, 1995. The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

(b) The \$20,000 balance on May 22, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, is transferred to the general fund and is appropriated to the supreme court for family farm legal assistance rendered from July 1, 1993, through June 30, 1995, for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

Sec. 33. [APPROPRIATION; BEAVER CONTROL.]

\$50,000 is appropriated to the commissioner of agriculture for a grant to the beaver damage control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties, for the purpose of beaver damage control. The grant must be matched by at least \$30,000 from the joint powers board. This appropriation is available until June 30, 1995.

Sec. 34. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

\$200,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 35. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

\$1,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 4. The commissioner of agriculture may use any portion of the fund as a grant to a city to attract and provide an incentive to locate an agricultural product processing facility whose project cost is estimated to be at least \$100,000,000. \$750,000 of the amount appropriated to the fund shall be available to make such a grant to a city until December 31, 1994, and after that date any unused portion of this available grant money shall be transferred to the commissioner for the interest buy-down program in sections 11 to 18.

Sec. 36. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

\$40,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force.

Sec. 37. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

\$150,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 38. [APPROPRIATION; STATE PARK ROAD ACCOUNT.]

\$250,000 is appropriated from the general fund to the commissioner of transportation with instructions that it be added to the state park road account under Minnesota Statutes, section 162.06, subdivision 5.

Sec. 39. [APPROPRIATION; DAIRY LEADERS ROUNDTABLE.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for a grant to the dairy leaders round table. This appropriation must be matched with nonstate funds.

Sec. 40. [APPROPRIATION; FEEDLOT MANURE MANAGEMENT ADVISORY COMMITTEE.]

\$5,000 is appropriated from the general fund to the commissioner of agriculture for payment of expenses for the feedlot and manure management advisory committee.

Sec. 41. [REPORT OF AGENCIES.]

Before January 1, 1996, the commissioner of public safety shall coordinate and present to the legislature a report from all departments, agencies, and organizations receiving funding under this act regarding the specific uses of such funding and the effects of assistance provided under this act to the agricultural economy and rural communities affected by natural disasters in 1993.

Sec. 42. [EFFECTIVE DATE.]

Sections 3 and 10 are effective retroactive to July 1, 1993. Sections 1, 2, 4 to 9, and 11 to 42 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing for promotion of nontraditional agriculture, inspection of agricultural operations, ethanol development, a value-added agricultural product loan program, sale of stock in cooperatives, and care of dogs and cats; creating an interest buy-down program; exempting from the sales tax the gross receipts from sales of used farm machinery; providing matching money for federal emergency disaster funds in flood damaged counties; providing for emergency job creation; authorizing a grain grading and testing equipment pilot program; providing supplemental funding for grain inspection programs, the ethanol development fund, and small business disaster loan programs; expanding research on grain diseases and soybeans; increasing funding for the farm advocates program, agricultural resource centers, legal assistance to farmers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges and Minnesota extension; funding a beaver control program, the dairy leaders roundtable, the state park road account, an advisory committee, and a task force; providing funding to the Agricultural Utilization Research Institute; requiring a report; appropriating money; amending Minnesota Statutes 1992, sections 17.03, by adding a subdivision; 180.03, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 41B.044, subdivision 2; and 80A.15, subdivision 2; Laws 1993, chapter 172, section 7, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; and 346."

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

Senate Conferees: JOE BERTRAM, SR., PAULA E. HANSON, STEVEN MORSE, KEITH LANGSETH AND STEVE DILLE.

House Conferees: STEPHEN G. WENZEL, KATY OLSON, DOUG PETERSON, ANDY STEENSMA AND VIRGIL J. JOHNSON.

Wenzel moved that the report of the Conference Committee on S. F. No. 2168 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2168, A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172, section 7, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bettermann	Clark	Dehler	Farrell	Goodno	Hasskamp
Battaglia	Brown, C.	Cooper	Delmont	Finseth	Greenfield	Haukoos
Beard	Brown, K.	Dauner	Dempsey	Frerichs	Greiling	Hausman
Bergson	Carlson	Davids	Dorn	Garcia	Gruenes	Holsten
Bertram	Carruthers	Dawkins	Evans	Girard	Gutknecht	Hugoson

Huntley	Kinkel	Mariani	Olson, K.	Peterson	Smith	Vickerman
Jacobs	Klinzing	McGuire	Olson, M.	Pugh	Solberg	Wagenius
Jaros	Koppendrayner	Milbert	Ornen	Reding	Stanius	Waltman
Jefferson	Krueger	Molnau	Opatz	Rhodes	Steensma	Weaver
Jennings	Lasley	Morrison	Orenstein	Rice	Svigum	Wejcman
Johnson, A.	Leppik	Mosel	Orfield	Rodosovich	Tomassoni	Wenzel
Johnson, R.	Lieder	Munger	Ostrom	Rukavina	Tompkins	Winter
Johnson, V.	Lourey	Murphy	Ozment	Sarna	Trimble	Wolf
Kahn	Luther	Neary	Pauly	Seagren	Tunheim	Worke
Kalis	Lynch	Nelson	Pawlenty	Sekhon	Van Dellen	Workman
Kelley	Macklin	Ness	Pelowski	Simoneau	Van Engen	Spk. Anderson, I.
Kelso	Mahon	Olson, E.	Perlt	Skoglund	Vellenga	

Those who voted in the negative were:

Abrams	Commers	Knight	Limmer	McCollum	Rest
Asch	Erhardt	Krinkie	Lindner	Osthoff	Swenson

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

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

RECESS

RECONVENED

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

There being no objection, the order of business reverted to House Advisories.

HOUSE ADVISORIES

The following House Advisories were introduced:

Trimble introduced:

H. A. No. 45, A proposal to consider establishing a Minnesota museum of music.

The advisory was referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

Asch, McGuire and Macklin introduced:

H. A. No. 46, A proposal to study social security number and medical data.

The advisory was referred to the Committee on Judiciary.

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Clark moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 2351, as amended by Conference." The motion prevailed.

Frerichs moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3179, as amended by Conference." The motion prevailed.

Frerichs moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." The motion prevailed.

Johnson, V., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." The motion prevailed.

Van Dellen moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." The motion prevailed.

Johnson, A., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of S. F. No. 180, as amended by Conference." The motion prevailed.

Wenzel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, May 5, 1994, when the vote was taken on the repassage of S. F. No. 2129, as amended by Conference." The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 942, A bill for an act relating to traffic regulations; requiring every driver to use due care in operating a motor vehicle; amending Minnesota Statutes 1992, section 169.14, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2591, A bill for an act relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program; amending Minnesota Statutes 1992, sections 116C.57, subdivision 3; 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216C.17, subdivision 2; Minnesota Statutes 1993 Supplement, sections 216B.2422, by adding a subdivision; and 216C.17, subdivision 3; repealing Minnesota Statutes 1993 Supplement, section 116C.54.

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. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing a marine education center at the Minnesota zoological garden; authorizing issuance of bonds; appropriating money, with certain conditions.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 218 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; reducing certain earlier project authorizations and appropriations; establishing a library planning task force; providing for appointments; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.641, subdivision 8; 16A.85, subdivision 1; 16B.24, subdivision 1; 16B.305, subdivision 2; 85.015, subdivision 4; 103G.005, by adding a subdivision; 103G.511; 103G.521, subdivision 1; 103G.535; 116.162, subdivision 2; 124.494, subdivisions 3, 4, 5, and 6; 135A.06, subdivision 4; 136.651; 167.51, subdivision 1; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; 85.019, by adding a subdivision; 124.494, subdivisions 1, 2, and 4a; and 136.261, subdivision 1; Laws 1993, chapter 373, section 18; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 116J; 124C; 134; 135A; 216C; 268; and 462.

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 113 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Jacobs	Lieder	Olson, E.	Rice	Vellenga
Asch	Delmont	Jaros	Lourey	Olson, K.	Rodosovich	Vickerman
Battaglia	Dempsey	Jefferson	Luther	Opatz	Rukavina	Wagenius
Bauerly	Dorn	Jennings	Macklin	Orenstein	Sarna	Waltman
Beard	Evans	Johnson, A.	Mahon	Orfield	Seagren	Weaver
Bergson	Farrell	Johnson, R.	Mariani	Osthoft	Sekhon	Wejzman
Bertram	Finseth	Johnson, V.	McCollum	Ostrom	Simoneau	Wenzel
Bettermann	Garcia	Kahn	McGuire	Ozment	Skoglund	Winter
Bishop	Girard	Kalis	Milbert	Pauly	Smith	Wolf
Brown, C.	Goodno	Kelley	Molnau	Pawlenty	Solberg	Worke
Brown, K.	Greenfield	Kelso	Morrison	Pelowski	Stanis	Spk. Anderson, I.
Carlson	Greiling	Kinkel	Mosel	Perlt	Steensma	
Carruthers	Gruenes	Klinzing	Munger	Peterson	Tomassoni	
Clark	Hasskamp	Koppendraye	Murphy	Pugh	Tompkins	
Cooper	Hausman	Krueger	Neary	Reding	Trimble	
Dauner	Holsten	Lasley	Nelson	Rest	Tunheim	
Davids	Huntley	Leppik	Ness	Rhodes	Van Engen	

Those who voted in the negative were:

Abrams	Erhardt	Haukoos	Krinkie	Lynch	Sviggun	Workman
Commers	Frerichs	Hugoson	Limmer	Olson, M.	Swenson	
Dawkins	Gutknecht	Knight	Lindner	Onnen	Van Dellen	

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

Mr. Speaker:

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

S. F. No. 1512.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1512

A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

May 6, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1512, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1512 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 103C.305, subdivision 2, is amended to read:

Subd. 2. [NOMINATING PETITION FILING FOR OFFICE; AFFIDAVIT OF CANDIDACY.] (a) ~~The district secretary shall immediately submit the names of the candidates and the terms for which each candidate is nominated to the county auditor.~~

~~(b) Nominating petitions conforming to section 103C.301, subdivision 1, shall be filed with the secretary of the district at least 60 days before the general election. A candidate for the office of supervisor shall file an affidavit of candidacy with the county auditor of the county in which the district office is located during the period provided for filing affidavits of candidacy for county offices in section 204B.09, subdivision 1. The county auditor accepting affidavits of candidacy shall forward copies of all affidavits filed by candidates for supervisor to the auditor of any other county in which the office is voted on.~~

Sec. 2. Minnesota Statutes 1992, section 123.33, subdivision 1, is amended to read:

Subdivision 1. The care, management, and control of independent districts shall be vested in a board of directors, to be known as the school board. The term of office of a member shall be ~~three~~ four years and until a successor qualifies. The membership of the school board shall consist of six elected directors together with such ex officio member as may be provided by law. But the board may submit to the electors at any school election the question whether the board shall consist of seven members and if a majority of those voting on the proposition favor a seven-member board, a seventh member shall be elected at the next election of directors for a ~~three-year~~ four-year term and thereafter the board shall consist of seven members.

Those districts with a seven-member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a seven-member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 3. Minnesota Statutes 1992, section 205.02, subdivision 2, is amended to read:

Subd. 2. [CITY ELECTIONS.] In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that ~~this section and sections 205.065, subdivisions 2 to 7; 205.07 to, subdivision 3; 205.10; 205.121; and 205.175 and 205.185~~ 205.17, subdivisions 2 and 3, do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 4. Minnesota Statutes 1992, section 205.065, subdivision 1, is amended to read:

Subdivision 1. ~~[CITIES OF FIRST CLASS ESTABLISHING PRIMARY.]~~ A municipal primary for the purpose of nominating elective officers may be held in any city of the first class on the ~~second or third~~ first Tuesday after the second Monday in March September of any year in which a municipal general election is to be held for the purpose of electing officers.

~~If the majority of the governing body of a city of the first class adopted a resolution after June 24, 1957, establishing the second or third Tuesday in March for holding its municipal primary in any year in which its municipal general election is held, and if the city clerk or other officer of the city charged with keeping the minutes and records of the governing body filed a certified copy of the resolution with the secretary of state and another certified copy of the resolution with the county recorder of the county in which the city is located, the time established by the resolution for holding the municipal primary is fixed, and the governing body of the city may not change the time unless the authority to make the change is conferred on the governing body by the legislature, or by an amendment to the charter of the city duly ratified and accepted by the eligible voters of the city, in accordance with the constitution of the state of Minnesota and other applicable law.~~

Sec. 5. Minnesota Statutes 1992, section 205.065, subdivision 2, is amended to read:

Subd. 2. [RESOLUTION OR ORDINANCE.] The governing body of a city ~~of the second, third, or fourth class or a town containing a statutory city~~ may, by ordinance or resolution adopted at least three months before the next municipal general election, elect to choose nominees for municipal offices by a primary as provided in ~~subdivisions 2 to 7 this section.~~ The resolution or ordinance, when adopted, is effective for all ensuing municipal elections until it is revoked. ~~Subdivisions 2 to 7 do not apply to a city the charter of which specifically prohibits or provides for a municipal primary. The municipal clerk shall notify the secretary of state and the county auditor within 30 days after the adoption of the resolution or ordinance.~~

Sec. 6. Minnesota Statutes 1992, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [DATE CITY ELECTIONS.] The municipal general election in each ~~statutory~~ city shall be held on the first Tuesday after the first Monday in November in every even-numbered year. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a ~~statutory~~ city may, by ordinance passed at a regular meeting held before ~~September~~ June 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. ~~A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section.~~ When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 7. [205.075] [TOWN GENERAL ELECTION.]

Subdivision 1. [DATE OF ELECTION.] The general election in a town must be held on the second Tuesday in March, except as provided in subdivision 2.

Subd. 2. [ALTERNATE DATE; METROPOLITAN TOWNS.] The governing body of a town located in the metropolitan area as defined by section 473.121 may, by resolution or ordinance, designate the first Tuesday after the first Monday in November of either the even-numbered or the odd-numbered year as the date of the town general election. Town supervisors elected at a November town general election shall serve four-year terms.

The ordinance or resolution changing the date of the town general election must include a plan to shorten or lengthen the terms of office to provide an orderly transition to the November election schedule.

The ordinance or resolution changing the date of the town general election is effective upon an affirmative vote of the voters of the town at the next town general election.

Sec. 8. Minnesota Statutes 1992, section 205.10, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections may be held in a statutory or home rule charter city or town on a question on which the voters are authorized by law or charter to pass judgment. A special election may be ordered by the governing body of the city municipality on its own motion or, on a question that has not been submitted to the voters in an election within the previous six months, upon a petition signed by a number of voters equal to 20 percent of the votes cast at the last municipal general election. A question is carried only with the majority in its favor required by law or charter. The election officials for a special election shall be the same as for the most recent municipal general election unless changed according to law. Otherwise special elections shall be conducted and the returns made in the manner provided for the municipal general election.

Sec. 9. Minnesota Statutes 1992, section 205.10, is amended by adding a subdivision to read:

Subd. 4. [VACANCIES IN TOWN OFFICES.] Special elections must be held with the town general election to fill vacancies in town offices as provided in section 367.03, subdivision 2.

Sec. 10. Minnesota Statutes 1992, section 205.13, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than

(1) eight nor less than six weeks in the case of a town, or

(2) not more than ten nor less than eight weeks, in the case of a city,

before the municipal primary, or before the municipal general election if there is no municipal primary, An individual who is eligible and desires to become a candidate for an office to be voted for at the municipal general election shall file an affidavit of candidacy with the municipal clerk. The affidavit shall be in substantially the same form as that in section 204B.06, subdivision 1. The municipal clerk shall also accept an application signed by not less than five voters and filed on behalf of an eligible voter in the municipality whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation. The filing dates contained in this subdivision do not apply to any home rule charter city whose charter provides for earlier filing dates.

Sec. 11. Minnesota Statutes 1992, section 205.13, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] An affidavit of candidacy for a town office to be elected in March must be filed not more than eight weeks nor less than six weeks before the town election. In municipalities nominating candidates at a municipal primary, an affidavit of candidacy for a city office or town office voted on in November must be filed not more than 70 days nor less than 56 days before the first Tuesday after the second Monday in September preceding the municipal general election. In all other municipalities, an affidavit of candidacy must be filed not more than 70 days and not less than 56 days before the municipal general election.

Sec. 12. Minnesota Statutes 1992, section 205.16, subdivision 1, is amended to read:

Subdivision 1. [PUBLICATION AND POSTING.] In every ~~statutory city and home rule charter city, the charter of which does not provide the manner of giving notice of a municipal election~~ municipality, the city municipal clerk shall, except as otherwise provided in this section, give two weeks' published notice, and may also give ten days' posted notice, of the election, stating the time of the election, the location of each polling place, the offices to be filled, and all propositions or questions to be voted upon at the election. In a city of the fourth class or a town not located within a metropolitan county as defined in section 473.121, the governing body may dispense with publication of the notice of the municipal general election, in which case ten days' posted notice shall be given. The city municipal clerk shall also post a copy of the notice in the clerk's office for public inspection.

Sec. 13. Minnesota Statutes 1992, section 205.16, subdivision 2, is amended to read:

Subd. 2. [SAMPLE BALLOT, PUBLICATION.] ~~In all statutory and home rule charter cities,~~ For every municipal election, the city municipal clerk shall, at least one week before the election, publish a sample ballot in the official newspaper of the city municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

Sec. 14. Minnesota Statutes 1992, section 205.17, subdivision 4, is amended to read:

Subd. 4. [BLUE BALLOTS; QUESTIONS.] All questions relating to the adoption of a city charter or charter amendments ~~or~~ a proposition for the issuance of bonds, and all other questions relating to city or town affairs submitted at an election to the voters of the municipality, shall be printed on one separate blue ballot and shall be prepared, printed and distributed under the direction of the city municipal clerk at the same time and in the same manner as other municipal ballots. The ballots, when voted, shall be deposited in a separate blue ballot box provided by the local authorities for each voting precinct. The ballots shall be canvassed, counted, and returned in the same manner as other municipal ballots. The returns shall provide appropriate blank spaces for the counting, canvassing and returning of the results of the questions submitted on the blue ballot.

Sec. 15. Minnesota Statutes 1992, section 205.175, is amended to read:

205.175 [VOTING HOURS.]

Subdivision 1. [~~CITIES~~ MINIMUM VOTING HOURS.] In all ~~statutory and home rule charter city~~ municipal elections, ~~the governing body of the city, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, until the resolution is revoked. Cities covered by this subdivision shall certify their election hours to the county auditor upon adoption of the resolution giving notice of the election from 5:00 p.m. to 8:00 p.m.~~

Subd. 2. [METROPOLITAN AREA TOWNS MUNICIPALITIES.] ~~At any election of town officers, in a town The governing body of a municipality which is located within a metropolitan county as defined by section 473.121, the town board, by resolution adopted prior to giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent town municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the town board municipal governing body.~~

Subd. 3. [OTHER TOWNS MUNICIPALITIES.] ~~In any election of town officers in a town The governing body of a municipality other than a town municipality described in subdivision 2, the town board, may by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent town municipal elections. The resolution shall remain in force until it is revoked by the town board municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last town municipal election, is presented to the town municipal clerk no later than 30 days prior to the town municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The town municipal clerk shall give ten days notice of the changed voting hours and notify the county auditor of the change. Towns Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.~~

Sec. 16. Minnesota Statutes 1992, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTION.] The school board of a school district may, by resolution adopted ~~at least 12 weeks before the next school district general election by June 1 of any year,~~ decide to choose nominees for school district elective offices by a primary as provided in subdivisions 1 to 6. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked.

Sec. 17. Minnesota Statutes 1992, section 205A.03, subdivision 2, is amended to read:

Subd. 2. [DATE.] The school district primary must be held ~~at a time designated by the school board in the resolution adopting the primary system, but no later than six weeks before~~ on the first Tuesday after the second Monday in September in the year when the school district general election is held. The clerk shall give notice of the primary in the manner provided in section 205A.07.

Sec. 18. Minnesota Statutes 1992, section 205A.04, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL DISTRICT GENERAL ELECTION.] ~~Except as may be provided in a special law or charter provision to the contrary, The general election in each school district must be held on the third Tuesday in May, unless the school board provides by resolution for holding the school district general election on the first Tuesday after the first Monday in November of either the odd-numbered or the even-numbered year. When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.~~

Sec. 19. Minnesota Statutes 1992, section 205A.06, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] ~~Not more than ten nor less than eight weeks before a school district primary, or before the school district general election if there is no school district primary,~~ An individual who is eligible and desires to become a candidate for an office to be voted on at the election must file an affidavit of candidacy with the school district clerk. The affidavit must be in substantially the same form as that in section 204B.06, subdivision 1. The school district clerk shall also accept an application signed by at least five voters and filed on behalf of an eligible voter in the school district whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. No individual shall be nominated by nominating petition for a school district elective office except in the event of a vacancy in nomination as provided in section 205A.03, subdivision 6. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

Sec. 20. Minnesota Statutes 1992, section 205A.06, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] In school districts nominating candidates at a school district primary, affidavits of candidacy may be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the first Tuesday after the second Monday in September in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed not more than 70 days and not less than 56 days before the school district general election.

Sec. 21. Minnesota Statutes 1992, section 205A.09, subdivision 2, is amended to read:

Subd. 2. [OTHER SCHOOL DISTRICTS.] At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time; ~~in no event less than three hours,~~ during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors of the change.

Sec. 22. Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white or buff colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. ~~If more than one ballot card is required, the cards must, so far as practicable, be of the same color as is required for paper ballots.~~

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

Sec. 23. Minnesota Statutes 1992, section 365.51, subdivision 1, is amended to read:

Subdivision 1. [WHEN; BAD WEATHER.] A town's annual town meeting must be held on the second Tuesday of March at the place named by the last annual town meeting. If no place was named then, the meeting must be held at the place named by the town board. The place may be outside the town if the place is within five miles of a town boundary. If there is bad weather on the day of the meeting and election in March, the town board shall set the meeting and election for the third Tuesday in March. If there is bad weather on the third Tuesday in March, the town board shall set another date for the meeting and election within 30 days of the third Tuesday in March. If the meeting and election are postponed, the notice requirements in subdivision 2 shall apply to the postponed meeting and election.

The balloting of the town election must be concluded on the same day the election is commenced.

Sec. 24. Minnesota Statutes 1992, section 365.51, subdivision 3, is amended to read:

Subd. 3. [OFFICERS; OTHER BUSINESS.] An annual town election shall be held on the same day as the annual town meeting to elect all town officers required by law to be elected, except as provided in section 205.075, subdivision 2. Other town business shall be conducted at the town meeting as provided by law.

Sec. 25. Minnesota Statutes 1992, section 367.03, as amended by Laws 1993, chapter 24, section 1, is amended to read:

367.03 [OFFICERS ELECTED AT ANNUAL ELECTION; VACANCIES.]

Subdivision 1. [OFFICERS SUPERVISORS, TERMS.] Except in towns operating under option A or in towns operating as provided in subdivision 4, three supervisors shall be elected in each town at the town general election as provided in this section. Each supervisor shall be elected for a term of three years.

Subd. 2. [NEW TOWNS.] When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot.

Subd. 3. [SUPERVISORS; TOWNS UNDER OPTION A.] When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one whose term expires at that time and shall serve until a successor is elected and qualified.

Subd. 4. [OFFICERS; METROPOLITAN TOWNS.] Supervisors and other town officers in towns located in the metropolitan area as defined in section 473.121 that hold the town general election in November shall be elected for terms of four years and until their successors are elected and qualified. The clerk and treasurer shall be elected in alternate years.

Subd. 5. [ELECTION OF CLERK, TREASURER.] Except in towns operating under option B or option D, or both, or in towns operating as provided in subdivision 4, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Subd. 2 6. [VACANCIES.] When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. The person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term. A vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town election, when a successor shall be elected for the unexpired term. When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled. Law enforcement vacancies shall be filled by appointment by the town board.

Sec. 26. [TRANSITION SCHEDULE FOR EVEN-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] The transition schedule in this section applies to political subdivisions that choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A political subdivision that later determines to change from an odd-numbered year election to an even-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1995, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 1999 or on the first Monday in January of 2001. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1995 must expire in January of 1999. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all city officials elected at a general election in 1996 expire on the first Monday in January of 2001. The terms of all city officials elected at a general election in 1998 expire on the first Monday in January of 2003.

For city officials elected in 1997, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2001 or on the first Monday in January of 2003. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1997 must expire in January 2001. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1996 expire on the first Monday in January of 2001. The terms of all school board members elected in 1998 expire on the first Monday in January of 2003.

The terms of office of school board members elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 1999 or January of 2001. To the extent practicable, one-half of the members elected in 1995 must expire in January of 1999. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of office of school board members elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2001 or January of 2003. To the extent practicable, one-half of the members elected in 1997 must expire in January of 2001.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 1999 or January of 2001. To the extent practicable, the terms of one-half of the officials to be elected in 1995 must expire in January of 1999. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all special district officials elected in 1996 expire on the first Monday in January of 2001. The terms of all special district officials elected in 1998 expire on the first Monday in January of 2003.

The terms of office of special district officials elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2001 or January of 2003. To the extent practicable, the terms of one-half of the officials to be elected in 1997 must expire in January of 2001. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Sec. 27. [TRANSITION SCHEDULE FOR ODD-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] The transition schedule in this section applies to political subdivisions that do not choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A political subdivision that later determines to change from an even-numbered year election to an odd-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1996, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2000 or on the first Monday in January of 2002. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1996 must expire in January of 2000. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all city officials elected at a general election in 1997 expire on the first Monday in January of 2002. The terms of all city officials elected at a general election in 1999 expire on the first Monday in January of 2004.

For city officials elected in 1998, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2002 or on the first Monday in January of 2004. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1998 must expire in January 2002. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1997 expire on the first Monday in January of 2002. The terms of all school board members elected in 1999 expire on the first Monday in January of 2004.

The terms of office of school board members elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2000 or January of 2002. To the extent practicable, one-half of the members elected in 1996 must expire in January of 2000. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2000 or January of 2002. To the extent practicable, the terms of one-half of the officials to be elected in 1996 must expire in January of 2000. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all special district officials elected in 1997 expire on the first Monday in January of 2002. The terms of all special district officials elected in 1999 expire on the first Monday in January of 2004.

The terms of office of special district officials elected in 1998 expire on the first Monday in January of 2002 or 2004, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2002 or January of 2004. To the extent practicable, the terms of one-half of the officials to be elected in 1998 must expire in January of 2002. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Sec. 28. [REPEALER.]

Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 4, 6, and 17 to 20 are effective on January 1, 1998. Section 2 is effective for school board members elected after January 1, 1995."

Delete the title and insert:

"A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting certain town elections to be held in November; making uniform certain local government procedures; changing school district election requirements; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, subdivision 1, and by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 205A.03, subdivisions 1 and 2; 205A.04, subdivision 1; 205A.06, subdivision 1, and by adding a subdivision; 205A.09, subdivision 2; 365.51, subdivisions 1 and 3; and 367.03, as amended; Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2."

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

Senate Conferees: WILLIAM P. LUTHER, JOHN MARTY AND GARY W. LAIDIG.

House Conferees: TOM OSTHOFF, LOREN A. SOLBERG AND RON ABRAMS.

Osthoff moved that the report of the Conference Committee on S. F. No. 1512 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1512, A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

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

The question was taken on the repassage of the bill and the roll was called. There were 111 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Huntley	Leppik	Munger	Perlt	Tomassoni
Asch	Davids	Jacobs	Lieder	Murphy	Peterson	Tompkins
Battaglia	Dawkins	Jaros	Limmer	Neary	Pugh	Trimble
Bauerly	Delmont	Jefferson	Lindner	Nelson	Reding	Van Dellen
Beard	Dorn	Jennings	Lourey	Olson, E.	Rest	Van Engen
Bergson	Evans	Johnson, A.	Luther	Olson, K.	Rice	Vellenga
Bertram	Farrell	Johnson, R.	Lynch	Olson, M.	Rodosovich	Wagenius
Bettermann	Finseth	Kahn	Macklin	Opatz	Sarna	Weaver
Bishop	Frerichs	Kelley	Mahon	Orenstein	Seagren	Wejcman
Brown, C.	Garcia	Kelso	Mariani	Orfield	Sekhon	Wenzel
Brown, K.	Greenfield	Kinkel	McCollum	Osthoff	Simoneau	Winter
Carlson	Greiling	Klinzing	McGuire	Ostrom	Skoglund	Worke
Carruthers	Gutknecht	Knight	Milbert	Ozment	Smith	Workman
Clark	Hasskamp	Krinkie	Molnau	Pauly	Solberg	Spk. Anderson, I.
Commers	Hausman	Krueger	Morrison	Pawlenty	Steensma	
Cooper	Holsten	Lasley	Mosel	Pelowski		

Those who voted in the negative were:

Anderson, R.	Erhardt	Gruenes	Johnson, V.	Ness	Stanis	Tunheim
Dehler	Girard	Haukoos	Kalis	Onnen	Sviggun	Vickerman
Dempsey	Goodno	Hugoson	Koppendraye	Rhodes	Swenson	Waltman

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2189

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, 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; 475.61, subdivision 4; and 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, articles 6, section 34; and 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; 126; 127; 134; and 169; 473; repealing 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, 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; 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.

May 6, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2189, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2189 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to \$500,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before money is allocated to the budget reserve and cash flow account under the preceding sentence. \$180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to ~~sections 124.2721, subdivision 3; 124.575, subdivision 3; and section 124.914, subdivision 1; and Laws 1976, chapter 20, section 4.~~

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus 50.0 37.4 percent for fiscal year 1994 and thereafter of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 50.0 37.4 percent for fiscal year 1994 and thereafter of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

- (ii) statutory operating debt pursuant to section 124.914, subdivision 1, ~~and Laws 1976, chapter 20, section 4;~~
- (iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;
- (iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and
- (v) amounts levied under section 124.755.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [PROPERTY TAX SHIFT REDUCTION.] (a) Money ~~made available~~ appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money made available appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest ~~whole~~ one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) For fiscal years 1994 and 1995, when the levy recognition percent is reduced as provided in this subdivision, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction under Laws 1991, chapter 265, article 1, section 31, or Laws 1992, chapter 499, article 1, section 22. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of education such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3. An additional adjustment shall be made on June 30, 1995, for the final payment otherwise due July 1, 1995, under Minnesota Statutes 1992, section 136C.36.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state

aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 4. Minnesota Statutes 1992, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~50.0~~ 37.4 percent for fiscal year 1994 of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of homestead and agricultural credit aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 5. 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, and changes to credits for prior year adjustments according to section 273.1398, subdivision subdivisions 2, 3, 4, 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. 6. 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~~ .515 of a pupil unit for fiscal year 1994 and .53 of a pupil unit for fiscal year 1995 and thereafter.

(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. 7. 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

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

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. 8. Minnesota Statutes 1992, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner in consultation with the commissioner of finance may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness ~~or if the commissioner determines that excessive short term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to section 121.904, subdivisions 4a and 4c, and the district can document substantial harm to instructional programs due to these costs.~~ The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 9. 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. 10. 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. 11. 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. 12. Minnesota Statutes 1993 Supplement, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) ~~\$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and, \$26,000,000 in fiscal year 1995, and \$31,600,000 in fiscal year 1996 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.~~

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals 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

(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals 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. 20. [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. The maximum length of a referendum converted under this paragraph is ten years.

(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. 21. 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. 22. 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. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to 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. For a building in a district where the nearest elementary school is at least 65 miles distant, pupils served shall be used to determine average daily membership.

Sec. 23. 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. 24. 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. 25. 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 one-half of the number of kindergarten pupil units 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. 26. Minnesota Statutes 1993 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$969,800,000 for fiscal year 1994, \$1,044,000,000 for fiscal year 1995 and \$1,054,000,000 for fiscal year 1996 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. 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. 28. Minnesota Statutes 1992, section 124A.28, is amended by adding a subdivision to read:

Subd. 1a. [BUILDING ALLOCATION.] A district must consider the concentration of children from low-income families in each school building in the district when allocating compensatory revenue.

Sec. 29. Laws 1993, chapter 224, article 1, section 38, is amended to read:

Sec. 38. [TAX CREDIT ADJUSTMENT.]

Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993. The department of education shall determine the change in referendum levies payable in 1994 attributable to this section and the increase in equalization under sections 8 and 9. Notwithstanding any law to the contrary, a district may recognize revenue an additional amount as the levy certified in the prior calendar year equal to one-half 37.4 percent for fiscal year 1994 and thereafter of the levy reduction in the fiscal year the levy is certified and each year thereafter. No aids shall be reduced as a result of this recognition.

Sec. 30. 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, pursuant to 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. 31. Laws 1993, chapter 224, article 15, section 3, is amended to read:

Sec. 3. [FISCAL YEAR 1996 AND FISCAL YEAR 1997 APPROPRIATIONS.]

(a) The appropriations for the 1996-1997 biennium for programs contained in this bill will be \$2,770,488,000 for fiscal year 1996 and \$2,953,102,000 for fiscal year 1997, plus or minus any adjustments due to variance in pupil forecasts, levies or other factors generating entitlements for the general revenue program established in Minnesota Statutes, section 124A.04. These amounts will first be allocated to fully fund the general revenue program. Amounts remaining will be allocated to other programs in proportion to the fiscal year 1995 appropriations or the entitlements generated by existing law for those programs for each year, up to the amount of the entitlement or the fiscal year 1995 appropriations. Any amounts remaining after allocation to these other programs may be maintained in a reserve account pending recommendations of the governor and legislature in the 1995 session.

(b) Of the fiscal year 1997 appropriation limit, \$35,000,000 is reallocated to the fiscal year 1996 appropriation limit. For fiscal year 1996, the allocations for special education aid, capital expenditure health and safety aid, and debt service equalization aid as determined according to paragraph (a) are increased by \$26,500,000, \$3,700,000, and \$4,800,000 respectively.

Sec. 32. [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. 33. [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. 34. [ADJUSTMENTS.]

Notwithstanding Minnesota Statutes, section 124.14, any excess appropriations for fiscal year 1993 not otherwise allocated to special education aid programs, abatement aid, and adult graduation aid under Minnesota Statutes, sections 124.214, 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574 shall be allocated to programs under Minnesota Statutes, section 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574. If the excess that is allocated for fiscal year 1993 to any programs specified in this section exceeds the deficiencies for that year, these differences shall remain in those accounts and shall be used to reduce deficiencies for fiscal year 1995 for programs under Minnesota Statutes, sections 124.273, 124.32, 124.322, and 124.574. Notwithstanding any law to the contrary, these amounts shall be reallocated prior to the addition of any other aids that may be available for that purpose.

Sec. 35. [SUPPLEMENTAL REVENUE REDUCTION.]

For fiscal year 1995 only, if a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to the equalizing factor is less than or equal to .25, then the difference under Minnesota Statutes, section 124A.22, subdivision 2, clause (2), is equal to \$50 for purposes of computing the district's supplemental revenue under Minnesota Statutes, section 124A.22, subdivision 8. For purposes of computing the referendum allowance reduction under Minnesota Statutes, section 124A.03, subdivision 3b, the supplemental revenue reduction shall be computed according to Minnesota Statutes, section 124A.22, subdivision 9.

Sec. 36. [PEQUOT LAKES; DELAY IN AID REPAYMENT.]

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. Notwithstanding Minnesota Statutes, section 124.155, subdivision 1, aids for independent school district No. 186, Pequot Lakes, shall not be adjusted for fiscal years 1991 and 1992 for pupils transferring into the district under Minnesota Statutes, section 120.062.

Sec. 37. [LEVY RECOGNITION ADJUSTMENT PAYMENT; TRANSFER OF FUNDS.]

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education or the state board defined in section 136C.03 the amounts needed to finance the adjustment to aids required under Minnesota Statutes, section 124.155, resulting from the reduction of the levy recognition percent in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, and the additional payments required under Minnesota Statutes, section 121.904, subdivision 4c, paragraph (d). This transfer of funds is required to ensure that the property tax shift reduction for fiscal year 1994 under Minnesota Statutes, section 16A.152, subdivision 2, as certified by the commissioner of finance according to Minnesota Statutes, section 121.904, subdivision 4c, paragraph (c), is funded for the amount certified.

Sec. 38. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.]

For fiscal year 1995 only, additional basic general education aid is \$17.10 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. 39. [SAVINGS CLAUSE.]

(a) On or before July 1, 1999, a municipality, as defined in Minnesota Statutes, section 469.174, subdivision 6, may by resolution of its governing body designate an issue of outstanding or proposed tax increment bonds as protected bonds. Tax increment bonds which are general obligations and bonds issued to reimburse a party for costs of a project and interest thereon may not be designated as protected bonds. For taxes levied in 1999 and thereafter, the municipality shall levy a tax on all taxable property within the municipality to pay or secure the payment of principal and interest on protected bonds. The tax must be levied in an amount equal to the amount by which the tax increment available to pay the protected bonds was reduced as a result of the repeal set forth in section Laws 1992, chapter 499, article 7, section 31. For purposes of calculating the amount of the tax increment reduction, the tax rate imposed in 1998 by the school district in which the tax increment financing district is located is assumed to apply, except that the tax rate for the school district under section 469.177, subdivision 1a, applies if the tax increment financing district is subject to that provision. The proceeds of the tax levied under this section shall be treated as tax increment derived from the tax increment financing district for all purposes under sections 469.174 to 469.179, provided that the taxes must be remitted to the municipality for deposit in its general fund to the extent the taxes are not used to pay or secure payment of the protected bonds.

(b) For purposes of making estimates prior to July 1, 1999, of future collections of tax increment, the municipality may disregard Laws 1992, chapter 499, article 7, section 31.

(c) An amendment or repeal of this section does not constitute an impairment of any bonds issued before the effective date of this section.

Sec. 40. [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: \$3,667,000

(b) For fiscal year 1995: (\$35,204,000)

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 year designated.

Subd. 2. [RICHFIELD LAND PURCHASE COMPENSATION.] For a grant to independent school district No. 280, Richfield, to compensate the district for the relocation of pupils due to the purchase of homes by the metropolitan airports commission:

\$500,000	1995
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Subd. 3. [ONE ROOM SCHOOLHOUSE.] For a grant to independent school district No. 690, Warroad, to open and operate the Angle Inlet School:

\$50,000	1995
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Subd. 4. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.] For general education aid according to section 38:

\$15,550,000	1995
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Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

Sec. 42. [REPEALER.]

Laws 1993, chapter 224, article 1, section 37, is repealed.

Sec. 43. [EFFECTIVE DATE.]

(a) Sections 21 and 24; 30; 32; 33; 36; 40; and 41 are effective the day following final enactment.

(b) Sections 6 and 25 are effective for fiscal year 1994 and thereafter.

(c) Section 18 is effective for taxes payable in 1995 and later years.

(d) Section 1 is effective July 1, 1995.

(e) Sections 2 to 4; 29; and 37 are effective retroactive to January 1, 1994, and apply to aid payments for fiscal years 1994 and later. However, the levy recognition percent for taxes payable in 1994 is set by this article at 37.4 percent, and shall not be recomputed for taxes payable in 1994 under the provisions of section 3, paragraph (b).

(f) Sections 11; 19; and 24 are effective for revenue for the 1994-1995 school year and thereafter.

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. 3. 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.

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 SCHOOL AID.] For transportation aid to independent school district No. 4005, Metro Deaf School:

\$21,000	.....	1994
\$68,000	.....	1995

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the state 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 DATE.]

Sections 6 to 8 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 may not charge a fee to search for or to retrieve the educational records. An agency or institution that receives a request for copies of the educational records of a child with a disability may charge a fee that reflects 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 exercise their right to inspect and review those 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 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] (a) The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of children with a disability. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of children with a disability. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. These rules are binding on state and local education, health, and human services agencies. The state board shall adopt rules

to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

(b) The state's regulatory scheme should support schools by assuring that all state special education rules adopted by the state board of education result in one or more of the following outcomes:

- (1) increased time available to teachers for educating students through direct and indirect instruction;
- (2) consistent and uniform access to effective education programs for students with disabilities throughout the state;
- (3) reduced inequalities, conflict, and court actions related to the delivery of special education instruction and services for students with disabilities;
- (4) clear expectations for service providers and for students with disabilities;
- (5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;
- (6) greater focus for the state and local resources dedicated to educating students with disabilities; and
- (7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council shall expire on June 30, 1997.

Sec. 5. 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. 6. 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. 7. 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. 8. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. [AGENCY ACCESS TO NONPUBLIC DATA.] The commissioner of administration shall prepare a form and disseminate guidelines for state agencies, political subdivisions, and other responsible authorities to use to enable a responsible authority to allow another responsible authority access to data about a child with a disability that is classified as not public. The form and guidelines must be consistent with section 13.05, subdivision 9, and federal law, and are not subject to the rule making requirements under chapter 14.

Sec. 9. [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).

(q) "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 the state court of appeals.

(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. 10. [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. 11. Minnesota Statutes 1992, section 124.248, subdivision 3, is amended to read:

Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative. The outcome-based school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the outcome-based school as though it were a cooperative, as provided in section 124.321, subdivision 2, paragraph (a), clause (1). The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs aid for a fiscal year equals the sum of the following amounts for each program lesser of:

(a) the greater of zero, or 75 percent of the difference between:

(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 \$80 times the district's average daily membership in grades 10 to 12; or

(b) 40 25 percent of approved expenditures for the following:

(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;

(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;

(2) (3) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) (4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) (6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) (7) 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.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2e, is amended to read:

Subd. 2e. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] For purposes of subdivision 2b, paragraph (b), and subdivision 2f, paragraph (b), a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational aid for fiscal year 1994 among participating school districts. For 1995 and later fiscal years, secondary vocational aid for services provided by a cooperative center or an intermediate district shall be paid to the participating school district.

Sec. 14. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. [AID GUARANTEE.] Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 15. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the commissioner and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center area to qualify for this aid. The rules must not require the collection of data at the program or course level to calculate secondary vocational aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board. Licensed personnel means persons holding a valid secondary vocational license issued by the commissioner, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the commissioner or the state board

for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 16. 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. 17. [125.1895] [SKILLED SCHOOL INTERPRETERS.]

Subdivision 1. [REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ENGLISH INTERPRETERS.] 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 or part-time 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 the state board of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] 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 or part-time 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 the state board of education.

Subd. 3. [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. 4. [REIMBURSEMENT.] For purposes of revenue under sections 124.321 and 124.322, 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.

Sec. 18. 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. 19. Minnesota Statutes 1992, section 126.51, subdivision 1, is amended to read:

Subdivision 1. [PARENT COMMITTEE.] School boards and American Indian schools shall provide for the maximum involvement of parents of children enrolled in education programs, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the school board of a school district in which there are ten or more American Indian children enrolled and each American Indian school shall establish a parent committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee shall may serve as the committee required by this section and shall be subject to, at least, the requirements of this section subdivision and subdivision 1a.

The parent committee shall develop its recommendations in consultation with the curriculum advisory committee required by section 126.666, subdivision 2. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The school board or American Indian school shall ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children served by the programs.

Sec. 20. 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. 21. 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. 22. [CERTIFICATION OF SCHOOL INTERPRETERS.]

(a) The state board of education, in consultation with the state board of teaching, interpreter/transliterators training programs, the Minnesota resource center: deaf and hard-of-hearing, the Minnesota registry of interpreters for the deaf, the Minnesota association of deaf citizens, the Minnesota commission serving deaf and hard-of-hearing people, and the deaf and hard-of-hearing services division of the department of human services, shall develop and adopt a competency-based certification system for school interpreters and transliterators. The state board shall adopt by rule the state certification system by July 1, 1997, effective for interpreters and transliterators employed after July 1, 2000.

(b) The state board of education shall conduct a study of the availability of appropriate training for school interpreters and transliterators throughout the state and the cost to the state, school districts, and their employees for training and certification. The state board shall report to the education committees of the legislature by February 1, 1995.

Sec. 23. [STATE BOARD OF EDUCATION SHALL ADOPT RULES.]

The state board of education shall propose 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. The statement of need and reasonableness under Minnesota Statutes, section 14.131, shall consider the impact of proposed changes on individual student needs and student access to necessary services. The office of administrative hearings shall hold a public hearing under Minnesota Statutes, section 14.14. The board shall adopt new rules that are effective at the beginning of the 1995-1996 school year. Any future amendments to rules adopted or amended under this section are covered by Minnesota Statutes, chapter 14.

Sec. 24. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY; SPECIAL EDUCATION REPRESENTATION.]

Notwithstanding Laws 1993, chapter 224, article 1, section 35, subdivision 2, the panel established under Laws 1993, chapter 224, article 1, section 35, subdivision 3, shall appoint a representative of special education who is familiar with both special education services and finance. The additional member under this subdivision shall be appointed by July 1, 1994. The coalition shall also consult with the state special education advisory council in developing its recommendations.

Sec. 25. [REPORTS OF INCIDENTS OF MISBEHAVIOR IN SCHOOLS.]

(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;

(4) the actions taken by school officials to respond to the incident of misbehavior; and

(5) the duration of the suspension or expulsion.

(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.

(c) Based on the data collected, the department shall make recommendations to the legislature by March 15, 1995, for changes in the pupil fair dismissal act.

Sec. 26. [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 OF STATE BOARD OF EDUCATION RULES.] (a) The task force shall review and may recommend changes to the education committees of the legislature in the following 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) The task force shall review the case loads and number of pupils assigned to special education teachers and recommend to the legislature alternatives to prohibiting state board rules that establish caseloads or set a maximum number of pupils assigned to a special education teacher under Minnesota Statutes, section 120.17, subdivision 3. The task force must assess the financial impact of its recommendations.

(c) In making its recommendations, the task force shall consult appropriate experts.

Subd. 3. [PLAN FOR MEETING TECHNOLOGY NEEDS.] The task force shall develop a plan for meeting the information, instructional, and assistive technology needs of special education within the context of the state educational system. The task force shall make recommendations to the education committees of the legislature by January 15, 1995. The plan shall, at a minimum, address the following:

- (1) identification of the various technology needs of special education;
- (2) appropriate integration of special education technology needs with general education information technology;
- (3) effective uses of technology for enabling special education and regular education staff to meet the needs of children with disabilities;
- (4) effective uses of technology for improving the efficiency and effectiveness of special education administration, instruction, assessment, and reporting;
- (5) methods for developing the appropriate technologies and making them available statewide; and
- (6) costs of developing and implementing the appropriate technologies statewide.

Sec. 27. [GRADUATION RULE.]

Subdivision 1. [SPECIAL EDUCATION.] The state board of education shall consult with the state special education advisory council in developing the high school graduation rule to ensure that students with disabilities may fully participate under the rule. The state board shall ensure that state and local assessments provide for accommodations, modifications, and adaptations to meet the needs of students with disabilities; clear policies are developed for modifying graduation requirements when necessary to meet a student's needs under an individual education plan; and that state monitoring of learning sites assesses the achievement of a representative sample of all students, including students with individual learning plans.

Subd. 2. [TRANSITION OUTCOMES.] The state board of education shall include in the high school graduation rule outcomes for all students in skills for transition from school to the community, work, vocational training, and higher education. The outcome shall emphasize knowledge of life skills, skills for planning and evaluating vocational and educational choices, and state and community resources available to assist in identifying and evaluating choices. The state board shall consult with the state education and employment transitions council and the state special education advisory council in developing the outcomes.

Sec. 28. [SPECIAL EDUCATION MANUAL.]

(a) The commissioner of education shall develop a manual pertaining to 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 manual as necessary to ensure that the information contained in the manual is current. The manual 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) the rights and procedural safeguards available to students with disabilities and their parents or guardian; and
- (3) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities.

(b) The manual must be available within three months following the state board of education's adoption of state special education rules under section 23. The commissioner shall develop a plan to ensure that the manual is widely available to parents, school staff, and other interested individuals and organizations.

Sec. 29. [SCHOOL BOARD MEMBER TRAINING.]

The commissioner of education, in consultation with the Minnesota school boards association and the task force on education of children with disabilities, shall develop a model training curriculum for school board members in state and federal special education statutes, rules, and regulations, and in modifications and accommodations for students with disabilities consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1411 to 1420 (Part B), section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336. The model training curriculum shall be available to school board members by January 1, 1995.

Sec. 30. [SPECIAL LEVY FOR INDEPENDENT SCHOOL DISTRICT NO. 100, WRENSHALL.]

Notwithstanding Minnesota Statutes, section 124.321, or any other law to the contrary, independent school district No. 100, Wrenshall, may levy up to \$40,000 for taxes payable in 1995 for excess special education expenditures or for nonregular transportation expenditures according to Minnesota Statutes, section 124.223, subdivision 4, incurred in the 1993-1994 school year. Notwithstanding Minnesota Statutes, 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 Minnesota Statutes, section 124.155.

Sec. 31. [GRANTS FOR COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.]

A school district may apply to the commissioner of jobs and training for a grant to provide individualized education and training to youth with disabilities for making a transition from school to post-secondary education, work, or community living. Grantees shall provide the education and training according to the transition plan contained in youths' individual education plans. To be eligible for a grant, a district must develop its transition services in consultation with the community transition interagency committee. Grantees must use the grant to contract with a center for independent living certified under Minnesota Statutes, section 268A.11, or with another transition program the commissioner approves, to provide appropriate education and training under this section.

Sec. 32. [APPROPRIATION; GRANTS FOR COMMUNITY LIVING PROGRAMS.]

\$250,000 is appropriated from the general fund in fiscal year 1995 to the commissioner of jobs and training for the purpose of providing grants under section 31. This activity must be transferred to the budget of the department of jobs and training in the next biennial budget.

Sec. 33. [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 year designated.

Subd. 2. [TASK FORCE.] For the task force on education for children with disabilities:

\$25,000	1994
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A portion of this appropriation may be used to pay for the costs of adopting, amending, or repealing state board of education rules according to section 23. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities. This appropriation expires February 15, 1995.

Subd. 3. [STUDENT SUSPENSIONS AND EXPULSIONS STUDY.] For a study of student suspensions and expulsions:

\$40,000	1995
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This appropriation does not cancel.

Sec. 34. [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.

Sec. 30. [EFFECTIVE DATE.]

Sections 4, 23, 24, 26, and 33, subdivision 2, are effective the day following final enactment.

ARTICLE 4

COMMUNITY PROGRAMS

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 agencies or organizations: the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the Minnesota office of volunteer services, the housing finance agency, and Minnesota Technology, Inc. A representative of the corporation for national and community service shall also serve as an ex officio nonvoting member.

(d) 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.

(e) 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, the commissioner of education, 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 and the commissioner of education, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, the commissioner of education, 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, with assistance from the commissioner of education and the executive director of the higher education coordinating board, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

- (7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;
- (8) report to the governor, commissioner of education, and legislature; and
- (9) provide oversight and support for school, campus, and community-based service programs; and
- (10) administer the federal AmeriCorps program.

(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) ~~(3)~~ 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 or for partial service of at least 900 hours.~~

~~(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).

(c) The higher education coordinating board shall establish an account for depositing funds for postservice benefits. If a participant does not use a postservice benefit according to subdivision 4 within seven years after completing the program, the amount of the postservice benefit shall be used to provide a postservice benefit to another eligible participant.

(d) 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~~ and child care coverage to each participant in a full-time youth works program who does not otherwise have access to health ~~or dental or 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 employer taxes under sections 3111 and 3301 of the Internal Revenue Code of 1986, 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 such costs as supplies, materials, and transportation, and salaries and benefits of those staff directly involved in the operation, internal monitoring, and evaluation of the program. 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 121.8355, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must agree in writing to provide coordinated family services and commit resources to an integrated fund. Collaboratives are expected to have broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, public libraries, existing culturally specific community organizations, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and sectarian organizations that provide nonsectarian services.

(b) Community-based collaboratives composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and existing culturally specific community organizations may plan and develop services for children and youth. A community-based collaborative must agree to collaborate with county, school district, and public health entities. Their services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Sec. 13. 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 on 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. 14. 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. 15. 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 on 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 on 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. 16. 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. 17. 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 private 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. 18. 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 private 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. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2 may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, may enroll part time, if 16 years of age or older, or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the serving school district ~~of residence~~ to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 29. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the serving school district ~~of residence~~ to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 30. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or 3a or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124.26.

Sec. 31. 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. 32. 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. 33. 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, or as volunteers 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. 34. 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. 35. 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. 36. 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. 37. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. [ADMISSION OR READMISSION PLAN.] A school board may prepare and enforce an admission or readmission plan for any pupil who is suspended, excluded or expelled from school. The plan may include measures to improve the pupil's behavior and require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

Sec. 38. 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. 39. 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. 40. Laws 1993, chapter 224, article 4, section 44, subdivision 6, is amended to read:

Subd. 6. [ADULT GRADUATION AID.] For adult graduation aid:

	\$1,827,000	.....	1994
\$1,986,000	<u>\$2,195,000</u>	.....	1995

The 1994 appropriation includes \$204,000 for 1993 and \$1,623,000 for 1994.

The 1995 appropriation includes \$286,000 for 1994 and ~~\$1,700,000~~ \$1,909,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Sec. 41. Laws 1993, chapter 224, article 4, section 44, subdivision 20, is amended to read:

Subd. 20. [LOCAL COLLABORATIVES.] (a) For grants to local collaboratives according to section 43, subdivisions 2 and 3:

\$5,000,000	1994
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\$1,500,000 is for collaborative planning grants.

Up to \$130,000 of the sum listed above is for the legislative coordinating commission for purposes of carrying out the responsibilities under Minnesota Statutes, section 3.873.

Up to \$400,000 is for the office of strategic and long-range planning for development of a statewide children's service database and for staffing the children's cabinet.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

\$3,500,000 is for collaborative implementation grants.

(b) Of the appropriation, \$150,000 is for grants targeted to assist in providing collaborative children's library service programs. To be eligible, a family services or community-based collaborative planning or implementation grant recipient must collaborate with at least one public library and one child or family organization. The public library must involve the regional public library system and multitype library system to which it belongs in the planning and provide for an evaluation of the program.

(c) The amounts appropriated under this subdivision do not cancel but are available until June 30, 1996.

Sec. 42. [EFFECTIVE DATES.]

Section 24 is effective for revenue for fiscal year 1995 and thereafter. Section 41 is effective the day following final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1993 Supplement, section 124.243, subdivision 8, is amended to read:

Subd. 8. [FUND TRANSFERS.] (a) Money in the account for capital expenditure facilities revenue must not be transferred into any other account or fund, except as specified in this subdivision.

(b) The school board may, by resolution, transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

(c) Each fiscal year, if a district does not have any obligations outstanding under chapter 475, has not levied under section 124.239, subdivision 3 or 5, and has not received revenue under section 124.83, a school board may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.

(d) Notwithstanding paragraph (c), a school board may transfer all or a part of its capital expenditure facilities revenue to its capital expenditure equipment account if:

- (1) the district has only one facility and that facility is less than ten years old; or
- (2) the district receives approval from the commissioner to make the transfer.

~~(d)~~ (e) In considering approval of a transfer under paragraph (e) ~~(d)~~, clause (2), the commissioner must consider the district's facility needs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] (a) For fiscal ~~years 1994 and year~~ 1995, the capital expenditure equipment revenue for each district equals ~~\$63~~ \$66 times its actual pupil units for the school year.

(b) For fiscal years 1996 and later, the capital expenditure equipment revenue for each district equals ~~\$68~~ \$69 times its actual pupil units for the school year.

(c) Of a district's capital expenditure equipment revenue, \$3 times its actual pupil units for the school year shall be reserved and used according to subdivision 4, paragraph (b).

Sec. 3. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. [USES OF REVENUE.] (a) 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 assistive technology or 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.

(b) The reserved capital expenditure equipment revenue shall only be used to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

- (1) managing and reporting learner outcome information for all students under a results-oriented graduation rule;
- (2) managing student assessment, services, and achievement information required for students with individual education plans; and
- (3) other classroom information management needs.

(c) The equipment obtained with reserved revenue shall be utilized, to the greatest extent possible given available funding, on a per instructor or per classroom basis. A school district may supplement its reserved revenue with other capital expenditure equipment revenue, and cash and in-kind grants from public and private sources.

Sec. 4. Minnesota Statutes 1992, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all money transferred to that fund for the payment of school loan bonds and all income received from the investment of such money. On the first day of December in each year there shall be transferred to the bond account all or so much of the money then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, ~~the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose. and if any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it the moneys shall nevertheless be paid out of the general fund in the state treasury according to section 16A.641, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.~~

Sec. 5. 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. 6. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 1, is amended to read:

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.

(d) "Commissioner" means the commissioner of public service.

Sec. 7. Minnesota Statutes 1992, section 124.85, subdivision 2, is amended to read:

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 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.~~

~~Before installation of equipment, modification, or remodeling, comply with clauses (1) to (5).~~

(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.

(2) The school board shall select the qualified provider that best meets the needs of the board. The school board shall provide public notice of the meeting at which it will select the qualified provider.

(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.

(4) The qualified provider shall first issue a report, summarizing estimates to the board giving a description 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 and the projected payback schedule in years.

(5) 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.

Sec. 8. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2a. [EVALUATION BY COMMISSIONER.] Upon request of the school board, the commissioner of public service shall review the report required in subdivision 2 and provide an evaluation to the board on the proposed contract within 15 working days of receiving the report. In evaluating the proposed contract, the commissioner shall determine whether the detailed calculations of the costs and of the energy and operating savings are accurate and reasonable. The commissioner may request additional information about a proposed contract as the commissioner deems necessary. If the commissioner requests additional information, the commissioner shall not be required to submit an evaluation to the board within fewer than ten working days of receiving the requested information.

Sec. 9. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2b. [REVIEW OF SAVINGS UNDER CONTRACT.] Upon request of the school board, the commissioner shall conduct a review of the energy and operating cost savings realized under a guaranteed energy savings contract every three years during the period a contract is in effect. The commissioner shall compare the savings realized under the contract during the period under review with the calculations of savings included in the report required under subdivision 2 and provide an evaluation to the board concerning the performance of the system and the accuracy and reasonableness of the claimed energy and operating cost savings.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report and the commissioner's evaluation if requested, if the board finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over 25 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed 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.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 5, is amended to read:

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.

Sec. 12. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 7. [PUBLIC INFORMATION.] A guaranteed energy savings contract must provide that all work plans and other information prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data after the contract is entered into, except information defined as trade secret information under section 13.37, subdivision 1, shall remain nonpublic data.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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.] The city of Rollingstone 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 a facility to be leased for educational purposes.

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 as otherwise provided therein. Upon approval of the agreement described in subdivision 2 by the commissioner of education and the district, the district may shall levy for as many years as required under the agreement a tax in the amount and at the times necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The payments shall be a general obligation of the district and are not subject to Minnesota Statutes, section 475.58.

(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. 19. 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	<u>\$73,390,000</u>	.....	1994
\$75,980,000	<u>\$76,198,000</u>	.....	1995

The 1994 appropriation includes \$10,730,000 for 1993 and ~~\$62,560,000~~ \$62,660,000 for 1994.

The 1995 appropriation includes ~~\$11,040,000~~ \$11,058,000 for 1994 and ~~\$64,940,000~~ \$65,140,000 for 1995.

Sec. 20. 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	<u>\$36,098,000</u>	.....	1994
\$37,390,000	<u>\$38,998,000</u>	.....	1995

The 1994 appropriation includes \$5,279,000 for 1993 and ~~\$30,720,000~~ \$30,819,000 for 1994.

The 1995 appropriation includes ~~\$5,430,000~~ \$5,439,000 for 1994 and ~~\$31,960,000~~ \$33,559,000 for 1995.

Sec. 21. 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 and second highest priority on fire code compliance projects for special school district No. 6, South St. Paul. 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. 22. [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. 23. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE USE VARIANCE.]

Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, upon approval of the commissioner of education, independent school district No. 319, Nashwaug-Keewatin, may use its health and safety revenue in fiscal years 1994 and 1995 to relocate its vocational center to a Nashwaug-Keewatin high school garage.

Sec. 24. [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. 25. [FLOODWOOD.]

Subdivision 1. [HEALTH AND SAFETY REVENUE EXPENDITURE.] Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, independent school district No. 698, Floodwood, may expend health and safety revenue for the construction of new facilities.

Subd. 2. [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 health and safety and facilities accounts in its capital expenditure fund to its building construction fund.

Subd. 3. [DATE OF TRANSFER.] Independent school district No. 698, Floodwood, may make the fund transfer according to subdivision 2 only after the school district has held a successful referendum for the sale of bonds according to the provisions of Minnesota Statutes, chapter 475.

Sec. 26. [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. The commissioner of education shall not approve the sale of bonds by independent school district No. 518, Worthington, until the school district can demonstrate to the commissioner's satisfaction that appropriate department of human services approval, including licensure, will be granted.

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. 27. [INCREASE IN AUTHORIZATION.]

Notwithstanding any other law to the contrary, the approved amount of indebtedness authorized by the electors of independent school district No. 38, Red Lake, on December 10, 1991, may be increased by resolution of the board of directors of independent school district No. 38, Red Lake, from \$9,926,070 to an amount not to exceed \$10,075,000.

Sec. 28. [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:

\$100,000	1995
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The grant is to cover costs associated with planning for facility needs for a combined district. The facilities must provide for the location of a significant number of noneducational student and community service programs within the facility.

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:

\$50,000	1994
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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. The local governments planning this facility must provide a match of \$1 for every \$2 of this appropriation. The local match may be in-kind resources.

Subd. 4. [PLANNING GRANT; ELEMENTARY SCHOOL.] For a grant and administrative expenses to facilitate a joint elementary facility for independent school district Nos. 622, North St. Paul-Maplewood; 833, South Washington County; and 834, Stillwater.

\$100,000

.....

1995

The planning grant must be used to plan a joint elementary facility that is continuous progress, performance-based, collaboratively developed, and operated year-round. The districts must report to the education committees of the legislature on the progress of the project by March 1, 1995.

Sec. 29. [EFFECTIVE DATE.]

Section 24 is effective retroactive to July 1, 1993. Sections 13; 18 to 21; 27; and 28 are effective the day following final enactment. Section 1 is effective July 1, 1995.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1993 Supplement, section 121.931, subdivision 5, is amended to read:

Subd. 5. [SOFTWARE DEVELOPMENT.] The commissioner shall provide for the development of applications software for ESV-IS and SDE-IS. The commissioner may charge school districts or ~~regional organizations cooperative units~~ for the actual cost of software development used by the district or ~~regional entity cooperative unit~~. Any amount received is annually appropriated to the department of education for this purpose. A school district or cooperative unit may not implement a payroll, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. [RETIREMENT INCENTIVES.] (a) For consolidations effective July 1, 1994, and thereafter, a school board of a 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); and

(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 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.

(e) A school board may offer these incentives beginning on the day that the consolidation is approved under section 122.23, subdivision 12 or, if an election is not called under section 122.23, subdivision 9 or 10, on the day that the plat is approved by the commissioner. A board may offer these incentives until the June 30 following the effective date of the consolidation.

Sec. 8. 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. 9. 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. 10. [122.98] [COOPERATIVE UNIT INSURANCE POOLS.]

Any cooperative unit defined in section 123.35, subdivision 19b, that directly manages a health insurance pool or provides health insurance coverage through an insurance pool as a service to members must create a labor-management committee representative of the groups covered by the pool to advise the governmental unit on management matters of the coverage.

Sec. 11. 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 (d), 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. 12. 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 (d), 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 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 and the assignment of liabilities.

(b) If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. The assets shall be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(c) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (b) of this section.

(d) 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 intermediate district organized under chapter 136D;

(4) an educational cooperative service unit organized under section 123.58;

(5) a regional management information center organized under section 121.935 or as a joint powers district according to section 471.59.

Sec. 13. 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 (d), 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. 14. Minnesota Statutes 1993 Supplement, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, and of the center board, ~~and of the commissioner~~, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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 4e~~, 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 4e~~. 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 4e~~, 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. 22. [124.193] [PROHIBITED AID AND LEVIES.]

Unless specifically permitted in the provision authorizing an aid or a levy, cooperative units of government defined in section 123.35, subdivision 19b, paragraph (d), are prohibited from making a property tax levy or qualifying for or receiving any form of state aid.

Sec. 23. [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. Revenue received under this section shall not be included in the determination of the reduction under section 124A.26, subdivision 1.

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. 24. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] A district's cooperation revenue is equal to the greater of \$50 ~~\$67~~ times the actual pupil units or \$25,000.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. [REVENUE USES.] (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

(b) A district that is was a member of an intermediate school district organized pursuant to chapter 136D ~~may not access revenue under this section on July 1, 1994, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the state board of education and the higher education board.~~

(c) A district that was not a member of an intermediate district organized under chapter 136D on July 1, 1994, must spend at least \$9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 9. [PRORATION.] (a) If the total appropriation available for district cooperation aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's district cooperation revenue according to the calculations in paragraphs (b) to (d).

(b) If there is insufficient district cooperation aid available, the department must recompute the district cooperation revenue by proportionally reducing the formula allowance and the revenue minimum to the levels that result in an aid entitlement, adjusted by the percentage in section 124.195, subdivision 10, equal to the amount available. The levy amounts must not be recomputed.

(c) A district's proration aid reduction is equal to the lesser of zero, or the difference of the existing aid calculation minus the aid amount computed for the district under paragraph (b).

(d) If a district's proration aid reduction is less than its revenue reduction, its district cooperation levy authority for the following year must be reduced by the amount of the difference between its revenue reduction and its aid reduction.

Sec. 27. [124.2728] [SPECIAL CONSOLIDATION AID.]

Subdivision 1. [ELIGIBILITY.] A school district that reorganizes under section 122.23 or sections 122.241 to 122.248 effective on or after July 1, 1994, is eligible for special consolidation aid under this section. A district may receive aid under this section for only three years.

Subd. 2. [AID CALCULATION.] Special consolidation aid for a reorganized school district is calculated by computing the sum of:

(1) the difference between the total amount of early childhood family education revenue under section 124.2711 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of early childhood family education revenue available to the reorganized district in the current year; and

(2) the difference between the total amount of community education revenue under section 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the reorganization and the maximum amount of community education revenue available to the reorganized district in the current year.

Subd. 3. [AID AMOUNT.] In the fiscal year that the reorganization is effective, special combination aid is equal to the aid calculated under subdivision 2 times 100 percent. In the fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 67 percent. In the second fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 33 percent.

Sec. 28. Minnesota Statutes 1993 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, ~~including an intermediate district,~~ must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year.

Sec. 29. 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 ten 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 year ~~prior to the year to which~~ to which the levy is ~~certified~~ attributable; 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.

(d) The revenue in the first year after reorganization for a district that has reorganized under section 122.22, 122.23, or 122.241 to 122.247 shall be the greater of:

(1) the revenue computed for the reorganized district under paragraph (a), or

(2)(i) for two districts that reorganized, 75 percent of the revenue computed as if the districts involved in the reorganization were separate, or

(ii) for three or more districts that reorganized, 50 percent of the revenue computed as if the districts involved in the reorganization were separate.

Sec. 30. Minnesota Statutes 1993 Supplement, section 124C.60, is amended to read:

124C.60 [CAPITAL FACILITIES AND EQUIPMENT GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have ~~a cooperation and combination plan approved by the state board of education consolidated under section 122.23 or combined under section 122.242~~ sections 122.241 to 122.248, may apply are eligible for a capital facilities grant of up to \$100,000 under this section. ~~The grant must be awarded after the districts combine according to sections 122.241 to 122.248. To qualify the following criteria must be met:~~

(1) the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124.243, subdivision 1;

(2) the changes proposed to a facility must be needed to accommodate changes in the educational program due to the reorganization;

(3) the utilization of the facility for educational programs is at least 85 percent of capacity; and

(4) the grant will be used only to remodel or improve existing facilities.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 or ~~122.124~~, subdivision 6, clauses (4), (6), (7), (8), (9), and (10).

Sec. 31. Minnesota Statutes 1992, section 136D.281, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 32. Minnesota Statutes 1992, section 136D.741, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 33. Minnesota Statutes 1992, section 136D.88, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 34. Laws 1992, chapter 499, article 6, section 34, subdivision 2, is amended to read:

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, 1996 1997.

Sec. 35. 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	<u>\$3,848,000</u>	.....	1994
\$3,979,000	<u>\$3,647,000</u>	.....	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. 36. [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 Minnesota Statutes, 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 Minnesota Statutes, 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 Minnesota Statutes, 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. 37. [DISTRICT COOPERATION HOLD HARMLESS AID.]

For fiscal year 1995, the cooperation hold harmless aid for a district that was a member of intermediate school district No. 287 is equal to the cooperation formula allowance times the fiscal year 1994 pupil units less the district cooperation revenue for fiscal year 1995.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (3):

(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 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; and

(3) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

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, No. 880, Howard Lake-Waverly, No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City, is fiscal year 1995.

Sec. 39. [UNDERLEVY AND RECOGNITION.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivision 6c, for district cooperation revenue for fiscal year 1995, a district's aid shall not be reduced if it does not levy the full amount permitted. Notwithstanding Minnesota Statutes, section 124.918, subdivision 6, the full amount of school district cooperation levy attributable to fiscal year 1995 shall be recognized in fiscal year 1995.

Sec. 40. [OSLO SCHOOL DISTRICT DISSOLUTION.]

If a consolidation vote under Minnesota Statutes, section 122.23, involving independent school district No. 442, Oslo, and independent school district No. 2163, Warren-Alvarado, held prior to June 1, 1994, fails in either of the districts, the Oslo district may dissolve under this section. The dissolution shall occur following the adoption of a resolution by the board calling for the dissolution and shall be effective July 1, 1994. The commissioner of education shall by order determine the plat and the allocation of property, assets, and liabilities, including any outstanding bonded indebtedness, to neighboring districts. The commissioner shall consider the best educational interests of the students in each of the districts in making the determination. The order may be amended as necessary. The commissioner shall inform the county auditors in the affected counties of the order. Any referendum levy in the district expires. The school districts to which the district is attached may levy under other provisions of law that would otherwise apply if the district had dissolved under Minnesota Statutes, section 122.22.

The school board of the district to which the dissolved district is attached may determine how a levy to eliminate reorganization debt is spread under Minnesota Statutes, section 122.531, subdivision 4a, paragraph (b). Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, referendum revenue in the enlarged district does not cancel unless otherwise scheduled to expire. The commissioner shall recompute the referendum tax rate or per pupil amount, as applicable, to raise the same amount of revenue in the enlarged district as would have been raised had the dissolution not occurred. Minnesota Statutes, sections 122.531, subdivision 4a, and 122.532 shall apply to the dissolution.

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:

\$430,000 1995

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:

\$800,000 1995

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. \$150,000 of this amount is for additional INTERNET support in school districts. Up to \$300,000 of this amount is for ESV system software support only to the extent that it is needed for changes in department reporting requirements.

Subd. 4. [SPECIAL CONSOLIDATION AID.] For special consolidation aid under section 124.2728:

\$70,000 1995

Subd. 5. [DISTRICT COOPERATION REVENUE.] For district cooperation revenue:

\$4,330,000 1995

\$230,000 of this appropriation is for district cooperation hold harmless aid under section 37.

Subd. 6. [ITV GRANTS; CARVER OR SCOTT COUNTY.] For grants to school districts with their administrative offices in Carver or Scott county for the construction, maintenance, or lease costs of an interactive television system for instructional purposes:

\$189,000 1995

Subd. 7. [CAPITAL FACILITIES GRANTS.] For grants under Minnesota Statutes, section 124C.60:

\$500,000 1995

Subd. 8. [ITV GRANT; CROMWELL.] For a grant to independent school district No. 95, Cromwell:

\$125,000 1995

The grant must be used to construct an interactive television transmission line. This appropriation is only available to the extent it is matched by the district with local and nonlocal sources. The district may levy up to \$50,000 to provide its share of local sources.

Sec. 42. [REPEALER.]

Minnesota Statutes 1992, sections 121.904, subdivision 4e; 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.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; and 136D.87; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivisions 6, 7, and 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 36 and 40 are effective the day following final enactment. Sections 24 and 25 are effective for revenue for fiscal year 1995.

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 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) Assessments used to measure knowledge required by all students for graduation must be developed according to the most current version of professional standards for educational testing.

(c) The content of the graduation rule must differentiate between minimum competencies and rigorous standards.

(d) The state board shall periodically review and report on the assessment process with the expectation of expanding high school graduation requirements.

(e) The state board shall report to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements until such time as all the graduation requirements are implemented.

Sec. 2. 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 to learner 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. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner 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. A school district may use a portion of the revenue reserved under this section to employ up to the same number of full-time equivalent education assistants or aides as the district employed during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 3. 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 2.5 percent in fiscal year 1996 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.~~ 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, which shall be retained by the school site until used. 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 make grants to school sites that demonstrate exemplary use of allocated staff development revenue. 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. 4. 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. 5. Minnesota Statutes 1992, section 125.03, is amended by adding a subdivision to read:

Subd. 4a. [ASSESSMENT PROFESSIONALS.] When a school board of a school district with 10,000 pupils or more in average daily membership employs a person to administer or interpret individual aptitude, intelligence or personality tests, the person must hold a graduate level degree related to administering and interpreting psychological assessments.

Sec. 6. 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 not exceed 80 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. 7. 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. 8. 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. 9. 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 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. 10. 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 nonteaching staff, parents, and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 11. 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 that the school board determines~~. The plan shall include activities that enhance staff skills for achieving 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, and community members to address pupils' needs;~~
- (3) ~~develop programs to increase pupils' educational progress by developing using 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~~ (3) meet pupils' individual needs by using alternative instructional opportunities that recognize pupils' individual needs and utilize, accommodations, modifications, after-school child care programs, and 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~~ (4) effectively meet the needs of children with disabilities within the regular classroom setting and other settings by improving the knowledge of school personnel about the legal and programmatic requirements affecting students with disabilities, and by improving staff ability to collaborate, consult with one another, and resolve conflicts; and

(5) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education policies 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 challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents. The staff development committee is strongly encouraged to include in its plan activities for achieving the following outcomes:

(1) 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 racial composition of the school to address the pupils' needs;

(2) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(3) provide effective mentorship oversight and peer review of probationary, continuing contract, and nonprobationary teachers;

(4) assist elementary and secondary students in learning to resolve conflicts in effective, nonviolent ways;

(5) effectively teach and model violence prevention policy and curricula that address issues of sexual, racial, and religious harassment; and

(6) provide challenging instructional activities and experiences, including advanced placement and international baccalaureate programs, that recognize and cultivate students' advanced abilities and talents.

Sec. 12. 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 (AP) and international baccalaureate (IB) programs, including training programs, support programs, and examination fee subsidies:

\$300,000	.....	1994
\$300,000	\$750,000	.....
		1995

Any balance remaining in the first year does not cancel but is available in the second year.

Of the fiscal year 1995 amount, \$550,000 is for examination fee subsidies. Notwithstanding Minnesota Statutes, section 126.39, subdivision 3, in fiscal year 1995, the commissioner shall pay the fee for one AP or IB examination for the first exam each student takes. The commissioner shall pay 50 percent of the fee for each additional exam a student takes or more than 50 percent if the student meets the low-income guidelines established by the commissioner. If this amount is not adequate, the commissioner may pay less than 50 percent for the additional exams.

Sec. 13. 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
\$1,500,000	.....	1995

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. 14. 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	\$750,000	1995
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This appropriation does not cancel.

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 \$250,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 15. [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. 16. [TIME AND TECHNOLOGY ENHANCED CURRICULUM SCHOOL PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] A three-year pilot project is established to allow independent school district No. 94, Cloquet, to develop a Time and Technology Enhanced Curriculum school. The purpose of the project is to improve student achievement through individualized instruction and year-round education. For purposes of Minnesota Statutes, section 126.12, subdivision 1, the pilot program established in this subdivision is a flexible learning year program under Minnesota Statutes, sections 120.59 to 120.67.

Subd. 2. [REPORT.] Independent school district No. 94, Cloquet, shall report on the pilot project to the education committees of the legislature annually by February 1, beginning February 1, 1995, and ending February 1, 1997.

Sec. 17. [INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program is established to help school districts work together and with higher education institutions, businesses, local government units, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. Recipients shall use grant proceeds to:

(1) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;

(2) match and allocate resources;

(3) create a curriculum environment that is multiplatform;

(4) provide user and contributor access to electronic libraries;

(5) schedule activities;

(6) automate progress reports;

(7) increase collaboration between school districts and sites, and with businesses, higher education institutions, and local government units;

(8) correlate state-defined outcomes to curriculum units for each student;

(9) increase accountability through a reporting system; and

(10) provide technical support, project evaluation, dissemination services, and replication.

Subd. 2. [ELIGIBILITY; APPLICATION.] A grant applicant must be a school district or a group of school districts that demonstrates collaboration with businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of education shall prescribe the form and manner of applications. The commissioner shall form an advisory panel consisting of representatives of teachers, school

Subd. 4. [EDUCATIONAL PERFORMANCE IMPROVEMENT GRANTS.] For an educational performance improvement grant pilot project under section 10:

\$800,000

.....

1995

The state board of education shall enter into contracts to award at least three grants, one each to an urban, suburban, and rural school district. This appropriation is available until June 30, 1996, unless the commissioner has entered into a contract and has certified to the commissioner of finance the amount needed to make payments on the contract. Any remaining appropriation shall cancel June 30, 1996.

Subd. 5. [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. 20. [EFFECTIVE DATE.]

Sections 2; 14; 15; and 17 are effective the day following final enactment.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. 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 and racial balance as defined by the state board.

Sec. 2. [121.1601] [OFFICE OF DESEGREGATION/INTEGRATION.]

Subdivision 1. [ESTABLISHMENT.] (a) An office of desegregation/integration is established in the department of education to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

Subd. 2. [COORDINATION.] The commissioner shall coordinate the office activities under subdivision 1 with new or existing department and state board of education efforts to accomplish school desegregation/integration. The commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the commissioner in performing the activities described in subdivision 1.

Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(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 Indian Affairs Council, the Asian-Pacific Minnesotans, the Council on Black Minnesotans, and the Spanish Speaking Affairs Council.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

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. Minnesota Statutes 1992, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the north central association of colleges and schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 5. Minnesota Statutes 1992, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section ~~275.48~~ 124.912, subdivision 9. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:
 - (a) the sum of the amounts of the district's certified levy in the preceding year according to the following:
 - (i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;
 - (ii) section 124.226, subdivisions 1 and 4, if the district receives transportation aid according to section 124.225;
 - (iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;
 - (iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

- (v) section 124.83, if the district receives health and safety aid according to that section;
- (vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections;
- (vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;
- (viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;
- (ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and
- (x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;
- (b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 6. 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. 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 schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 33 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 33 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.] (a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 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 aid amounts not paid due to proration;
- (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.
- (b) A district may spread this levy over a period not to exceed three years.

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 1992, section 124.914, subdivision 1, is amended to read:

Subdivision 1. [1977 STATUTORY OPERATING DEBT.] (1) In each year in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than ~~20~~ 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 11. 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. 12. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] (a) Revenue must be used according to either paragraph (b), (c), or (d).

(b) Revenue shall be used to reduce and maintain the district's instructor to learner 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.

(c) Notwithstanding paragraph (b), for fiscal year 1995, a district with exceptional need as defined in subdivision 6, paragraph (a), may use the revenue to reduce and maintain the district's instructor-to-learner ratios in kindergarten through grade 6 to a level that is at least 2.0 less than the district's adopted staffing ratio, if the remaining learning and development revenue is used to continue or initiate staffing patterns that meet the needs of a diverse student population. Programs to meet the needs of a diverse student population may include programs for at-risk pupils and learning enrichment programs.

(d) For fiscal year 1995 only, in any school building that meets the characteristics of exceptional need as defined in subdivision 6, paragraph (b), a district may use the revenue to employ education assistants or aides supervised by a learner's regular instructor to assist learners in those school buildings.

(e) The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner 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. 13. Minnesota Statutes 1993 Supplement, section 124A.225, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTIONAL NEED DEFINED.] (a) A school district is considered to have exceptional need if the district has the following characteristics:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district's adjusted net tax capacity divided by its pupil units for the current year is less than \$3,500; and

(4) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

(b) A school building is considered to have exceptional need if the school building has the following characteristics:

(1) 50 percent or more of the school building's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) the adjusted net tax capacity of the district in which the school building is located, divided by the district's pupil units for the current year, is less than \$3,500; and

(3) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

Sec. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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 one of the purposes of this program is to enhance the school desegregation/integration policies adopted by the state.

Sec. 19. 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. 20. 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. 21. 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. 22. 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. 23. [126.43] [SUMMER CULTURAL EXCHANGE GRANT PROGRAM.]

Subdivision 1. [CULTURAL EXCHANGE PROGRAM GOALS.] A cultural exchange grant program is established to develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange. Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with the goals set forth in paragraphs (a) to (d).

(a) The program shall develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(b) The program shall develop immersion programs that are coordinated with the programs offered in paragraph (a).

(c) The program shall create opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence.

(d) The program shall create opportunities for staff exchanges on a cultural basis.

Subd. 2. [CULTURAL EXCHANGE GRANTS.] A school district together with a group of school districts, a cooperative governmental unit, the center for arts and education, or a post-secondary institution may apply for cultural exchange grants. The commissioner of education shall determine grant recipients and may adopt application guidelines. The grants must be competitively determined and applicants must demonstrate:

(1) the capacity to develop a focused curriculum that reflects the particular ethnic, racial, and other cultural aspects of the community in which the school where the program is offered is located;

(2) the capacity to develop immersion programs coordinated with the curriculum developed in clause (1);

(3) the capacity to coordinate a cultural exchange program with other curriculum programs to assure continuity in a pupils education;

(4) the capacity to maximize diversity of ethnic, racial, and other cultural backgrounds of participants;

(5) that the application is jointly developed by participants; and

(6) that the outcomes of the exchange program are clearly articulated.

Subd. 3. [GRANT USE.] The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials, and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

Sec. 24. [126.84] [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education, in consultation with the commissioner of human services, shall make male responsibility and fathering grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

Subd. 2. [MATCHING MONEY.] Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Those programs with a higher match will have a greater chance of receiving a grant.

Subd. 3. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Recipient programs must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;

(2) understand the long-term responsibility of fatherhood;

(3) understand the importance of fathers in the lives of children;

(4) acquire parenting skills and knowledge of child development; and

(5) find community support for their roles as fathers and nurturers of children.

Subd. 4. [GRANT APPLICATIONS.] (a) An application for a grant may be submitted by a youth or parenting program whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district. Each grant application must include a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers will reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at a minimum, provide education in responsible parenting and child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementation of a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 5. [ADMINISTRATION.] The commissioner of education shall administer male responsibility and fathering grants. The commissioner shall establish a grant review committee composed of teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs.

Subd. 6. [REPORT.] The commissioner shall report to the legislature on the progress of the male responsibility and fathering programs by January 15, 1996.

Sec. 25. 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 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. 26. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution or, a Minnesota private, baccalaureate degree granting college or university located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 27. 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 the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

Sec. 28. 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. 29. 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	<u>\$150,000</u>	.....
		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. 30. 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	<u>\$400,000</u>	.....
		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. 31. 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. 32. 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; and 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030~~, are repealed.

(b) 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; 3520.3701; 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; and 3520.5920; ~~3530.6500; 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 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; 3530.7800; and chapter 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; 8700.6410; 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; 8700.9000; 8700.9010; 8700.9020; 8700.9030; 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. 33. [REVIVAL OF RULES.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030, repealed in Laws 1993, chapter 224, article 12, section 39, paragraph (a), are revived on the effective date of section 32.

Sec. 34. [STAFFING.]

The commissioner of education shall provide staffing 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.

Sec. 35. [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 evaluate the four grant sites and two control 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. 36. [REPORT ON SCHOOL MEALS PROGRAMS.]

The commissioner of education shall review the nutrition needs of K-12 students and the extent to which poor nutrition interferes with effective learning, and shall review the current school breakfast and lunch programs and the role of these programs in improving educational achievement and contributing to the long-term health of Minnesota children. The commissioner shall identify barriers to participating in the school meals programs and shall make recommendations to the education committees of the legislature and the legislative commission on children, youth, and their families by January 31, 1995, to:

(1) improve student nutrition to increase the educational achievement of all children and to improve the overall learning climate;

- (2) more effectively integrate the school meals program into the school day;
- (3) eliminate barriers to universal participation in school meals programs;
- (4) reduce paperwork and other administrative burdens associated with the school meals programs so that resources can be redirected to pay for program expansion and improving the nutritional integrity of the program; and
- (5) enable Minnesota to maximize federal funds for school meals programs.

Sec. 37. [REVENUE ADJUSTMENTS.]

After appropriate study and such public hearings as may be necessary, the commissioner of education shall recommend to the legislature by February 1, 1995, a policy for ensuring 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. 38. [MAGNET SCHOOL AND PROGRAM GRANTS.]

(a) The commissioner of education, in consultation with the desegregation/integration office under Minnesota Statutes, section 121.025, 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. 39. [LAKE SUPERIOR DEBT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1994, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1994.

Subd. 2. [LEVY.] For taxes payable in each of the years 1998 through 2000, the district may levy an amount up to 33-1/3 percent of the balance in the account on July 1, 1994. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Sec. 40. [PILOT PROGRAM IN CONTINUING MULTICULTURAL EDUCATION.]

Subdivision 1. [PROGRAM COMPONENTS.] Beginning with the 1994-1995 school year, independent school district No. 38, Red Lake, shall provide a 25-hour continuing education in-service program in multicultural education for licensed teachers in the district. The three-year pilot program shall be results-oriented and shall be designed to improve teachers' ability to effectively educate learners of all racial, cultural, and economic groups. The district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, shall develop appropriate outcomes for the program. The district shall contract with Bemidji State University to provide curriculum, instruction, and assessments for the program.

Subd. 2. [PROGRAM APPROVAL.] Prior to implementation, the program established in subdivision 1 must be approved by the department of education in consultation with the state American Indian education advisory committee.

Subd. 3. [APPLICABILITY.] A teacher employed by independent school district No. 38, Red Lake, at the start of the 1994-1995 school year shall complete the program established in subdivision 1 within three years of its implementation. In appropriate circumstances, the district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, may waive this provision for a teacher who is unable to complete the program. The program shall be counted as continuing education for licensure purposes under board of teaching rules.

Subd. 4. [REPORT.] Independent school district No. 38, Red Lake, and the staff development committee shall report to the commissioner of education on the status of the program by February 1, 1995.

Sec. 41. [OSSEO LEVY.] For 1994 taxes payable in 1995 only, independent school district No. 279, Osseo, may levy a tax in an amount not to exceed \$500,000. The proceeds of this levy must be used to provide instructional services for at-risk children.

Sec. 42. [FUND TRANSFERS.]

Subdivision 1. [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. 2170, 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. 2. [MONTICELLO.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121, or any other law, independent school district No. 882, Monticello, may permanently transfer an amount not to exceed \$250,000 from its capital expenditure fund to its transportation fund before July 1, 1994.

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 \$160,900 from the general fund to the capital expenditure fund.

Subd. 4. [REMER-LONGVILLE AND ORTONVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district Nos. 62, Ortonville, and 118, Remer-Longville may each permanently transfer up to \$150,000 in fiscal year 1994 from the bus purchase account to the capital expenditure fund for facility repairs and technology-related equipment without making a levy reduction.

Subd. 5. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912; 121.9121; and 475.61, subdivision 4, or any other law to the contrary, on June 30, 1994, independent school district No. 738, Holdingford, may permanently transfer up to \$100,000 from its debt redemption fund to its general fund.

Subd. 6. [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.

Subd. 7. [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. 5. [MALE RESPONSIBILITY AND FATHERING GRANTS.] For male responsibility and fathering grants:

\$500,000

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1995

The commissioner of education shall award a minimum of ten grants geographically distributed throughout the state.

The commissioner of education may enter into cooperative agreements with the commissioner of human services to access federal money for child support and paternity education programs.

This appropriation is available until June 30, 1996.

Subd. 6. [MULTICULTURAL CONTINUING EDUCATION GRANT.] For a grant to independent school district No. 38, Red Lake, for a multicultural continuing education pilot project for teachers:

\$69,000

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1995

The district must match this sum with staff development revenue under Minnesota Statutes, section 124A.29.

Subd. 7. [LOW-INCOME CONCENTRATION GRANTS.] For grants under section 43:

\$1,000,000

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1995

Each grant shall be no more than \$50,000.

Subd. 8. [NETT LAKE YOUTH PROGRAM GRANT.] For a grant to independent school district No. 707, Nett Lake, for providing an evening and weekend youth activity program:

\$25,000

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1995

The school district, in collaboration with social services and law enforcement agencies, and with the advice of the community youth council, must use the grant to provide evening and weekend programs for youth that include educational, social, and cultural activities.

Subd. 9. [CULTURAL EXCHANGE PROGRAM.] For the cultural exchange program:

\$142,000

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1995

Subd. 10. [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:

\$100,000

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1995

The department must transmit this appropriation to the board of teaching.

Subd. 11. [SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.] For a sexuality and family life education survey:

\$25,000

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1995

Sec. 46. [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. 47. [EFFECTIVE DATE.]

(a) Sections 32; 33; and 42 are effective the day following final enactment.

(b) Sections 14; 17; and 46, paragraph (a), are effective July 1, 1994.

(c) Sections 12; and 13; are effective July 1, 1994, and apply to revenue for 1994-1995 and later school years.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] A school board may sponsor one or more outcome-based schools.

A school board may authorize a maximum of five outcome-based schools.

No more than a total of ~~20~~ 35 outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 2. 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. 3. Minnesota Statutes 1993 Supplement, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least 170 days through the ~~1994-1995~~ 1995-1996 school year, and for later years, at least the number of days per school year in the following schedule:

- (1) ~~1995-1996, 172;~~
- (2) ~~1996-1997, 174;~~
- (3) (2) ~~1997-1998, 176;~~
- (4) (3) ~~1998-1999, 178;~~
- (5) (4) ~~1999-2000, 180;~~
- (6) (5) ~~2000-2001, 182;~~
- (7) (6) ~~2001-2002, 184;~~
- (8) (7) ~~2002-2003, 186;~~
- (9) (8) ~~2003-2004, 188; and~~
- (10) (9) ~~2004-2005, and later school years, 190.~~

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. Minnesota Statutes 1993 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least 175 days through the ~~1994-1995~~ 1995-1996 school year and the number of days required in subdivision 1b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the ~~1994-1995~~ 1995-1996 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 9. Minnesota Statutes 1992, section 124.19, subdivision 1b, is amended to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

- (1) ~~1995-1996, 177;~~
- (2) ~~1996-1997, 179;~~
- (3) (2) ~~1997-1998, 181;~~
- (4) (3) ~~1998-1999, 183;~~
- (5) (4) ~~1999-2000, 185;~~
- (6) (5) ~~2000-2001, 187;~~
- (7) (6) ~~2001-2002, 189;~~
- (8) (7) ~~2002-2003, 191;~~
- (9) (8) ~~2003-2004, 193; and~~
- (10) (9) ~~2004-2005, and later school years, 195.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.248, subdivision 4, is amended to read:

Subd. 4. [OTHER AID, GRANTS, REVENUE.] (a) An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district except that, notwithstanding section 124.195, subdivision 3, the payments shall be of an equal amount on each of the 23 payment dates unless an

outcome-based school is in its first year of operation in which case it shall receive on its first payment date 15 percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 85 percent of the cumulative amount guaranteed. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

(b) Any revenue received from any source, other than revenue that is specifically allowed for operational, maintenance, capital facilities revenue under paragraph (c), and capital expenditure equipment costs under this section, may be used only for the planning and operational start-up costs of an outcome-based school. Any unexpended revenue from any source under this paragraph must be returned to that revenue source or conveyed to the sponsoring school district, at the discretion of the revenue source.

(c) An outcome-based school may receive money from any source for capital facilities needs. Any unexpended capital facilities revenue must be reserved and shall be expended only for future capital facilities purposes.

Sec. 11. Minnesota Statutes 1992, section 124.86, subdivision 2, is amended to read:

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, in average daily membership, excluding section 124.17, subdivision 2f, and (b) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership, excluding section 124.17, subdivision 2f; and

(4) multiplying the actual pupil units, including section 124.17, subdivision 2f, in average daily membership by the lesser of \$1,500 or the result in clause (3).

Sec. 12. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY.] It is a defense to a civil action for damages against a teacher school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the teacher official 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. 13. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment. Section 7 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. If no full-time position is available in the library jurisdiction, the student may fulfill the work requirement in another Minnesota public library.

(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 designated.

Subd. 2. [LIBRARIANS OF COLOR.] For the librarians of color program:

<u>\$55,000</u>	<u>.....</u>	<u>1995</u>
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Subd. 3. [CHILDREN'S LIBRARY SERVICES GRANTS.] For grants for collaborative programs to strengthen library services to children, young people, and their families:

<u>\$50,000</u>	<u>.....</u>	<u>1995</u>
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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 126A.04, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The director may apply for, receive, and allocate grants and other money for environmental education. The director shall continue to make a grant to an environmental library located in the metropolitan area.

Sec. 3. 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. 4. [FEDERAL FUNDS APPROVAL.]

The expenditure of federal funds as shown in the first and third change orders to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

Sec. 5. [FARIBAULT ACADEMIES; APPROPRIATION.]

Subdivision 1. [FARIBAULT STATE ACADEMIES; STAFF TRAINING.] \$100,000 is appropriated in fiscal year 1995 from the general fund to the department of education for the Faribault academies to pay for the costs of an intensive staff training program. The staff training shall address issues of staff awareness and understanding of blind and deaf cultures, staff skill improvement, mediation and conflict resolution, team building, and communications. A report concerning the staff training program shall be submitted to the education committees of the legislature by January 1, 1995.

Subd. 2. [UTILIZATION OF ACADEMY EMPLOYEES.] In order to utilize employees of the Faribault academies who would otherwise be laid off during June, July, and August 1994, work to be performed on the renovation of Noves hall on the Minnesota state academy for the deaf campus and the demolition of Dow hall on the Minnesota academy for the blind campus may include state employees, provided that the work performed by state employees is necessary for the completion of the projects, results in real costs savings on the projects, and is in conformance with state employees collective bargaining agreements.

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

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 169.436, subdivision 1, clause (6), or 123.7991, 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~~ sections 120.17 and 120.1701 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 123.78, is amended by adding a subdivision to read:

Subd. 3. [RULES.] The state board of education may amend rules relating to equal transportation.

Sec. 3. [123.799] [STUDENT TRANSPORTATION SAFETY.]

Subdivision 1. [RESERVED REVENUE USE.] A district shall use the student transportation safety reserved revenue under section 124.225, subdivision 7f, for providing student transportation safety programs to enhance student conduct and safety on the bus or when boarding and exiting the bus. A district's student transportation policy must specify the student transportation safety activities to be carried out under this section. A district's student transportation safety reserved revenue may only be used for the following purposes:

- (1) to provide paid adult bus monitors, including training and salary costs;
- (2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator;
- (3) to purchase or lease optional external public address systems or video recording cameras for use on buses; and
- (4) other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety.

Subd. 2. [REPORTING.] Districts shall annually report expenditures from the student transportation safety reserved revenue to the commissioner of education, who shall provide the information to the school bus safety advisory committee.

Sec. 4. [123.7991] [SCHOOL BUS SAFETY TRAINING.]

Subdivision 1. [SCHOOL BUS SAFETY WEEK.] The first week of school is designated as school bus safety week.

A school board may designate one day of school bus safety week as school bus driver day.

Subd. 2. [STUDENT TRAINING.] (a) Each school district shall provide public school pupils enrolled in grades kindergarten through 12 with school bus safety training. The training shall be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

- (1) transportation by school bus is a privilege not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe vehicle lane crossing; and
- (7) school bus evacuation and other emergency procedures.

(b) Student school bus safety training shall commence during school bus safety week. All students who are transported by school bus and are enrolled during the first week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. Students who enroll in a school after the first week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within three weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner of education annually by October 15 that all students transported by bus have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. A school district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability.

(c) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(d) A school district must also provide student safety education for bicycling and pedestrian safety.

Subd. 3. [MODEL TRAINING PROGRAM.] The commissioner of education shall develop a comprehensive model school bus safety training program for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction, methods for assessing attainment of school bus safety competencies, and age-appropriate instructional materials.

Sec. 5. [123.7992] [NOTICE OF RECORDING DEVICE.]

If a video or audio recording device is placed on a school bus, the bus also must contain a sign or signs, conspicuously placed, notifying riders that their conversations or actions may be recorded on tape.

Sec. 6. [123.801] [BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.]

Transportation by school bus is a privilege not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or for violation of any other law governing student conduct on a school bus, pursuant to a written school district discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the pupil fair dismissal act of 1974. Revocation procedures for a student who is an individual with a disability under the Individuals with Disabilities Education Act, United States Code, title 20, section 1400 et seq., section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336, are governed by these provisions.

Sec. 7. Minnesota Statutes 1992, section 124.223, is amended by adding a subdivision to read:

Subd. 11. [RULES.] The state board of education may amend rules relating to transportation aid and data.

Sec. 8. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 7f. [RESERVED REVENUE FOR TRANSPORTATION SAFETY.] A district shall reserve an amount equal to the greater of \$1,000 or one percent of the sum of the district's regular transportation revenue according to subdivision 7d, paragraph (a), and nonregular transportation revenue according to subdivision 7d, paragraph (b), for that school year to provide student transportation safety programs under section 3.

Sec. 9. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 8m. [TRANSPORTATION SAFETY AID.] A district's transportation safety aid equals the district's reserved revenue for transportation safety under subdivision 7f for that school year.

Sec. 10. 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. 11. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I A, type B, type C, or type D, type II, or type III as follows:

(a) A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons.

(b) A "type II school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus.

(1) a "type A school bus" 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;

(2) a "type B school bus" is a 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. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels;

(3) 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, designated 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;

(4) 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, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be 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; and

(e) (5) 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.

Sec. 12. 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. 13. [169.435] [STATE SCHOOL BUS SAFETY ADMINISTRATION.]

Subdivision 1. [RESPONSIBILITY; DEPARTMENT OF PUBLIC SAFETY.] The department of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner of public safety shall establish a school bus safety advisory committee according to subdivision 2. The commissioner or the commissioner's designee shall serve as state director of pupil transportation according to subdivision 3.

Subd. 2. [SCHOOL BUS SAFETY ADVISORY COMMITTEE.] 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 also 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) two school bus drivers, one representing the metropolitan area and one representing greater Minnesota;

(8) two school transportation contractors, one representing the metropolitan areas and one representing greater Minnesota;

(9) two school transportation safety directors, one representing the metropolitan area and one representing greater Minnesota; and

(10) five public members, including at least four parents of children who ride a school bus, among them a parent of a child with a disability. The public members shall be geographically representative.

The commissioner of public safety, in consultation with the commissioner of education, shall appoint the members listed in clauses (3) to (9). The governor shall appoint the public members in clause (10). Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or as required by the chair.

The duties of the committee shall include:

(1) an annual report by January 15 to the governor and the education committees of the legislature, including recommendations for legislative action when needed, on student bus safety education, school bus equipment requirements and inspection, bus driver licensing, training, and qualifications, bus operation procedures, student behavior and discipline, rules of the road, school bus safety education for the public, or any other aspects of school transportation safety the committee considers appropriate;

(2) a quarterly review of all school transportation accidents, crimes, incidents of serious misconduct, incidents that result in serious personal injury or death, and bus driver dismissals for cause; and

(3) periodic review of school district comprehensive transportation safety policies.

Subd. 3. [PUPIL TRANSPORTATION SAFETY DIRECTOR.] The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.

The duties of the pupil transportation safety director shall include:

(1) overseeing all department activities related to school bus safety;

(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety;

(3) supervising preparation of the school bus inspection manual;

(4) in conjunction with the department of education, assisting school districts in developing and implementing comprehensive transportation policies; and

(5) providing information requested by the school bus safety advisory committee.

Sec. 14. [169.436] [SCHOOL DISTRICT BUS SAFETY RESPONSIBILITIES.]

Subdivision 1. [COMPREHENSIVE POLICY.] Each school district shall develop and implement a comprehensive, written policy governing pupil transportation safety. The policy shall, at minimum, contain:

(1) provisions for appropriate student bus safety training under section 4;

(2) rules governing student conduct on school buses and in school bus loading and unloading areas;

(3) a statement of parent or guardian responsibilities relating to school bus safety;

(4) provisions for notifying students and parents or guardians of their responsibilities and the rules;

(5) an intradistrict system for reporting school bus accidents or misconduct, a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus, and a system for reporting accidents, crimes, incidents of misconduct, and bus driver dismissals to the department of public safety under section 24;

(6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

(7) a system for integrating school bus misconduct records with other discipline records;

(8) a statement of bus driver duties;

(9) planned expenditures for safety activities under section 3 and, where applicable, provisions governing bus monitor qualifications, training, and duties;

(10) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle;

(11) operating rules and procedures;

(12) provisions for annual bus driver in-service training and evaluation;

(13) emergency procedures; and

(14) a system for maintaining and inspecting equipment.

School districts are encouraged to use the current edition of the "National Standards for School Buses and Operations" published by the National Safety Council in developing safety policies. Each district shall submit a copy of its policy under this subdivision to the school bus safety advisory committee no later than August 1, 1994, and review and make appropriate amendments annually by August 1.

Subd. 2. [SCHOOL TRANSPORTATION SAFETY DIRECTOR.] Each school board shall designate a school transportation safety director to oversee and implement pupil transportation safety policies. The director shall have day-to-day responsibility for pupil transportation safety.

Sec. 15. Minnesota Statutes 1992, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections ~~169.442, subdivisions 2 and 3;~~ 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 16. 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. 17. 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. 18. 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. 19. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. [INFORMATION; RULES.] The ~~board~~ commissioner 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~~ commissioner, local school authorities shall provide this information. The ~~board~~ commissioner may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 20. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. [DRIVER EDUCATION PROGRAMS.] The ~~state board of education~~ 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. 21. Minnesota Statutes 1992, section 169.447, subdivision 6, is amended to read:

Subd. 6. [OVERHEAD BOOK RACKS.] Types ~~I~~ A, B, C, and ~~H~~ D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 22. [169.449] [SCHOOL BUS OPERATIONS.]

Subdivision 1. [RULES.] The commissioner of public safety, in consultation with the school bus safety advisory committee, shall adopt rules governing the operation of school buses used for transportation of school children, when owned or operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Subd. 2. [ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the commissioner under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 23. [169.4501] [SCHOOL BUS EQUIPMENT STANDARDS.]

Subdivision 1. [NATIONAL STANDARDS ADOPTED.] Except as provided in sections 36 and 37, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the 1990 revised edition of the "National Standards for School Buses and Operations" adopted by the Eleventh National Conference on School Transportation and published by the National Safety Council. Except as provided in section 38, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the 1990 National Standards for School Buses and Operations. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the 1990 revised edition of the "National Standards for School Buses and Operations" are incorporated by reference in this chapter.

Subd. 2. [APPLICABILITY.] (a) The standards adopted in this section and sections 36 and 37, govern the construction, design, equipment, and color 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 standards 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 standards.

(b) The standards apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before December 31, 1994, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Subd. 3. [INSPECTION MANUAL.] The department of public safety shall develop a school bus inspection manual based on the national standards adopted in subdivision 1 and Minnesota standards adopted in sections 36, 37, and 38. The Minnesota state patrol shall use the manual as the basis for inspecting buses as provided in section 169.451. When appropriate, the school bus safety advisory committee shall recommend to the education committees of the legislature modifications to the standards upon which the school bus inspection manual is based. The department of public safety has no rulemaking authority to alter the standards upon which school buses are inspected.

Subd. 4. [VARIANCES.] 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. 24. [169.452] [ACCIDENT AND SERIOUS INCIDENT REPORTING.]

The department of public safety shall develop uniform definitions of a school bus accident, an incident of serious misconduct, and an incident that results in personal injury or death. The department shall determine what type of information on school bus accidents and incidents, including criminal conduct, and bus driver dismissals for cause should be collected and develop a uniform accident and incident reporting form to collect those data, including data relating to type III vehicles, statewide. Data collected with this reporting form shall be analyzed to help develop accident, crime, and misconduct prevention programs.

Sec. 25. [169.454] [TYPE III VEHICLE STANDARDS.]

Subdivision 1. [STANDARDS.] This section applies to type III vehicles used for the transportation of school children when owned and operated by a school district or privately owned and operated. All related equipment provided on the vehicle must comply with federal motor vehicle safety standards where applicable. If no federal standard applies, equipment must be manufacture's standard.

Subd. 2. [AGE OF VEHICLE.] Vehicles ten years or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, Code of Federal Regulations, title 49, part 571.

Subd. 3. [COLOR.] Vehicles must be painted a color other than national school bus yellow.

Subd. 4. [FIRE EXTINGUISHER.] A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.

Subd. 5. [FIRST AID KIT.] A minimum of a ten unit first aid kit is required. The bus must have a removable, moisture- and dust-proof first aid kit mounted in an accessible place within the driver's compartment and must be marked to indicate its location.

Subd. 6. [IDENTIFICATION.] The vehicle must not have the words "school bus" in any location on the exterior of the vehicle, or in any interior location visible to a motorist.

The vehicle must display to the rear of the vehicle this sign: "VEHICLE STOPS AT RR CROSSINGS."

The lettering (except for "AT," which may be one inch smaller) must be a minimum two-inch "Series D" as specified in standard alphabets for highway signs as specified by the Federal Highway Administration. The printing must be in a color giving a marked contrast with that of the part of the vehicle on which it is placed.

The sign must have provisions for being covered, or be of a removable or fold-down type.

Subd. 7. [LAMPS AND SIGNALS.] Installation and use of the eight-lamp warning system is prohibited.

All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard 108, Code of Federal Regulations, title 49, part 571.

Subd. 8. [STOP SIGNAL ARM.] Installation and use of a stop signal arm is prohibited.

Subd. 9. [MIRRORS.] The interior clear rearview mirror must afford a good view of pupils and roadway to the rear. Two exterior clear rearview mirrors must be provided, one to the left and one to the right of the driver. Each mirror must be firmly supported and adjustable to give the driver clear view past the left rear and the right rear of the bus.

Subd. 10. [WARNING DEVICE.] A type III bus must contain at least three red reflectorized triangle road warning devices. Liquid burning "pot type" flares are not allowed.

Subd. 11. [EMERGENCY DOORS.] The doors on type III buses must remain unlocked when carrying passengers.

Subd. 12. [OPTION.] Passenger cars and station wagons may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

Sec. 26. [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. 27. [169.4582] [REPORTING 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 169.436, subdivision 1, 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. 28. 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. 29. 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~~ physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. 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. 30. 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. 31. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 4. [TRAINING.] No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner. A bus driver must have training or experience that allows the driver to meet at least the following competencies:

- (1) safely operate the type of school bus the driver will be driving;
- (2) understand student behavior, including issues relating to students with disabilities;
- (3) ensure orderly conduct of students on the bus and handle incidents of misconduct appropriately;
- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;
- (5) handle emergency situations;
- (6) safely load and unload students; and
- (7) demonstrate proficiency in first aid and cardiopulmonary resuscitation procedures.

The commissioner of public safety, in conjunction with the commissioner of education, shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety.

Sec. 32. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 5. [ANNUAL EVALUATION.] A school district, nonpublic school, or private contractor shall evaluate each bus driver annually to assure that, at minimum, each driver continues to meet school bus driver training competencies under subdivision 4. A school district, nonpublic school, or private contractor also shall provide at least eight hours of in-service training annually to each school bus driver. As part of the annual evaluation, a district, nonpublic school, or private contractor shall check the license of each person who transports students for the district with the National Drivers Register or the department of public safety. A school district, nonpublic school, or private contractor shall certify annually to the commissioner of public safety that each driver has received eight hours of in-service training and has met the training competencies.

Sec. 33. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT FOR CRIME AGAINST MINOR CERTAIN OFFENSES.]

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 felony offense, any misdemeanor, gross misdemeanor, or felony violation of chapter 152, any violation under section 609.3451, 609.746, subdivision 1, or 617.23, or a fourth moving violation within a three-year period.

Subd. 2. [CANCELLATION.] ~~The commissioner~~ Within 10 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 gross misdemeanor or 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. After five years, cancellation of a school bus driver's endorsement for a conviction under section 169.121 or 169.129 shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. 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.] 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, a violation of section 169.121 or 169.129, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. 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. 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 a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. An applicant who has been convicted of violating section 169.121 or 169.129 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement.

Subd. 4. [WAIVER OF PERMANENT CANCELLATION.] The commissioner of public safety, in consultation with the school bus safety advisory committee, may waive the permanent cancellation requirement of section 171.3215 for a person convicted of a nonfelony violation of chapter 152 or a felony that is not a violent crime under section 609.152.

Sec. 34. 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, ~~a gross misdemeanor, 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 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. 35. 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) 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; 3520.3701; 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; 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~~ 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.3100; 3520.3400; and chapter 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. 36. [ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus chassis standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.4501. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.4501, the Minnesota standard contained in this section is controlling.

Subd. 2. [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, shall have automatic slack adjusters.

Subd. 3. [CERTIFICATION.] A chassis manufacturer shall certify that the product meets Minnesota standards. All buses with a certified manufacturing date prior to April 1, 1977, shall not be recertified as a school bus after January 1, 1996.

Subd. 4. [COLOR.] Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be manufacturer's standard color.

Subd. 5. [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 gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 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 shall 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 SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are 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 wheel chair lifts or diesel engines.

Subd. 6. [ELECTRICAL SYSTEM; ALTERNATOR.] A bus must be capable of providing 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. 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, shall 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 shall be reduced in size beyond the muffler.

Subd. 8. [FRAME.] Installation of a trailer hitch is permitted. A hitch shall 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 shall 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 manufacturer 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 shall 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 shall not be used on the same axle. Front tire tread depth shall not be less than 4/32 inch in any major tire tread groove. Rear tire tread shall 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. Recapped tires are permitted on the rear wheels.

Subd. 12. [TRANSMISSION.] The transmission shifting pattern must be permanently displayed in the driver's full view.

Sec. 37. [ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus body standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450, and section 36. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [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. 3. [BUMPER; FRONT.] On a type D school bus, the bumper shall conform to federal motor vehicle safety standards.

Subd. 4. [CERTIFICATION.] A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 5. [COLOR.] Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails shall be black. The reflective material on the sides of the bus body shall 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 are effective for buses manufactured after January 1, 1996.

Subd. 6. [COMMUNICATIONS.] All buses manufactured after January 1, 1995, shall have a two-way voice communications system.

Subd. 7. [CONSTRUCTION.] The metal floor shall be covered with plywood. The plywood shall 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 shall be level from front to back, and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 8. [DEFROSTERS.] Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and shall 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. 9. [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 chassis manufacturer's standard door.

Subd. 10. [EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS.] The fire extinguisher must have at least a 10BC rating.

Subd. 11. [EMERGENCY EQUIPMENT; WARNING DEVICES.] A flashlight with a minimum of two "C" batteries shall be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers shall 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. 12. [HEATERS.] The heating system shall be capable of maintaining the temperature throughout the bus of not less than 50 degrees Fahrenheit during average minimum January temperature as established by the United States Department of Commerce. In a bus with a combustion heater, the heater must be installed by the body manufacturer, by an authorized dealer or authorized garage, or by a mechanic trained in the procedure.

Subd. 13. [IDENTIFICATION.] (a) Each bus shall, in the beltline, identify the school district serviced, or 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) Effective December 31, 1994, all buses sold must display lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering shall be in two-inch black letters on school bus yellow background. This message shall be displayed directly below the upper window of the rear door. On rear engine buses, it shall be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 14. [INSULATION.] (a) Ceilings and wall shall be insulated to a minimum of one and one-half inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inches 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 standard 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 shall be sealed. Every school bus shall be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source shall not exceed 85 dba when tested according to procedures in the 1990 national standards for school buses and operations.

(b) The underside of 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. 15. [INTERIOR.] Interior speakers, except in the driver's compartment, must not protrude more than one-half inch from the mounting surface.

Subd. 16. [LAMPS AND SIGNALS.] (a) Each school bus shall 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 which goes on when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate in the event the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practical, and must be easily dismounted or partially disassembled to provide access for maintenance purposes. The control panel box shall be arranged such that the momentary activating switch for the eight-lamp warning system shall be located on the left, the red (or red and amber) pilot light shall be located in the middle, and the eight-way master switch shall be 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 shall extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe shall be of a double flash type and have minimum effective light output of 200 candelas. No roof hatch can be mounted behind the strobe light.

(c) Type B, C, and D buses shall 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 are to 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. 17. [MIRRORS.] A type B bus with a gross vehicle weight rating less than 15,000 pounds shall have a minimum of six-inch by 16-inch mirror. A type B bus with a gross vehicle weight rating over 15,000 pounds shall have a minimum of a six-inch by 30-inch mirror. 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. 18. [OVERALL WIDTH.] The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 19. [RUB RAILS.] There shall be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 20. [SEAT AND CRASH BARRIERS.] All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics. 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. 21. [STOP SIGNAL ARM.] The stop signal arm shall be installed near the front of the bus.

Subd. 22. [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 the standard manufacturer's solid visor is acceptable or a six-inch by 16-inch sun shield.

Subd. 23. [WINDOWS.] Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all other windows. All glass shall be federally approved and marked as provided in Minnesota Statutes, 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. The use of tinted glass, as approved by Minnesota Statutes, 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. 24. [WIRING.] If not protected by a grommet, wire that passes through holes shall be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it shall not be wired as to kill power to the electric brake system.

Sec. 38. [ADDITIONAL MINNESOTA STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The specially equipped school bus standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [COMMUNICATIONS.] All vehicles used to transport disabled students shall be equipped with a two-way communication system.

Subd. 3. [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. The restraints must be for the sole purpose of restraining students with disabilities.

Subd. 4. [SECUREMENT SYSTEM FOR MOBILE SEATING.] Wheelchair securement devices must comply with all requirements for wheelchair securement systems contained in federal regulation in effect on the later of the date the bus was manufactured or the date that a wheelchair securement system was added to the bus.

Sec. 39. [OPERATIONS RULES; CONTINUED EFFECT.]

Notwithstanding Minnesota Statutes 1992, section 14.05, subdivision 1, Minnesota Rules 1991, parts 3520.2400, 3520.2500, 3520.2600, 3520.2800, 3520.3100, and 3520.3400, remain in effect prior to June 30, 1995, until the commissioner of public safety adopts rules relating to school bus operations.

Sec. 40. [CURRENT BUS DRIVER TRAINING TIMELINE.]

A school bus driver hired before the effective date of section 31 must meet the training competencies during the driver's first annual evaluation under section 32.

Sec. 41. [APPROPRIATION; DEPARTMENT OF EDUCATION.]

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 year designated.

Subd. 2. [STUDENT TRANSPORTATION SAFETY.] For student transportation safety aid according to Minnesota Statutes, section 124.225, subdivision 8m:

<u>\$2,985,000</u>	<u>.....</u>	<u>1995</u>
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Sec. 42. [APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY.]

Subdivision 1. [DEPARTMENT OF PUBLIC SAFETY.] The sums indicated in this section are appropriated from the general fund to the commissioner of public safety for the fiscal year designated.

Subd. 2. [SAFETY ADVISORY COMMITTEE.] For the school bus safety advisory committee according to Minnesota Statutes, section 169.44:

<u>\$15,000</u>	<u>.....</u>	<u>1995</u>
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Sec. 43. [REPEALER.]

Minnesota Statutes 1992, sections 169.441, subdivision 2; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; and 169.45, are repealed. Minnesota Statutes 1993 Supplement, section 123.80, is repealed.

Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

If enacted, 1994 S. F. No. 2913, article 4, section 81, is repealed.

ARTICLE 13

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1992, section 121.908, subdivision 5, is amended to read:

Subd. 5. All governmental units formed by joint powers agreements entered into by districts pursuant to section 120.17, 120.1701, 123.351, 471.59, or any other law and all educational cooperative service units and education districts shall be subject to the provisions of this section.

Sec. 2. Minnesota Statutes 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. 3. 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. 4. Minnesota Statutes 1992, section 123.932, subdivision 11, is amended to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services provided to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to section sections 120.17 and 120.1701, or services which are eligible to receive special education aid pursuant to section 124.32.

Sec. 5. Minnesota Statutes 1992, section 124.223, subdivision 4, is amended to read:

Subd. 4. [PUPILS WITH DISABILITIES.] State transportation aid is authorized for transportation or board and lodging of a pupil with a disability when that pupil cannot be transported on a regular school bus, the conveying of pupils with a disability between home or a respite care facility and school and within the school plant, necessary transportation of pupils with a disability from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section sections 120.17 and 120.1701 are provided, within or outside the district where services are provided, and necessary transportation for resident pupils with a disability required by section sections 120.17, subdivision 4a, and 120.1701. Transportation of pupils with a disability between home or a respite care facility and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in subdivision 1 that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid.

Sec. 6. Minnesota Statutes 1992, section 124.223, subdivision 6, is amended to read:

Subd. 6. [SHARED TIME.] State transportation aid is authorized for transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by section sections 120.17, subdivision 9, and 120.1701 for resident pupils with a disability who are provided special instruction and services on a shared time basis.

Sec. 7. 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) clause (5)~~, 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 sections 120.17 and 120.1701 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. 8. 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. 9. 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. 10. Minnesota Statutes 1992, section 124.32, subdivision 7, is amended to read:

Subd. 7. [PROGRAM AND AID APPROVAL.] Before June 1 of each year, each district providing special instruction and services to children with a disability shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of children with a disability in the district who will receive special instruction and services during the next school year. The

application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability pursuant to section sections 120.17 and 120.1701. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of children with a disability in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 11. Minnesota Statutes 1992, section 127.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] For the purposes of providing instruction to children with a disability under section sections 120.17 and 120.1701, this section, and section 127.44, the following terms have the meanings given them.

Sec. 12. Minnesota Statutes 1992, section 136D.23, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under sections 136D.27 and section 136D.28 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 13. Minnesota Statutes 1992, section 136D.26, is amended to read:

136D.26 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.27, The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.~~

Sec. 14. Minnesota Statutes 1992, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding subdivision 4, ~~section 136D.73, subdivision 3,~~ or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by sections 124.2727, 124.83, subdivision 4, 127.05, 136C.411, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 124.912, subdivision 1.

Sec. 15. Minnesota Statutes 1992, section 136D.83, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under ~~section 136D.87 or~~ 136D.89 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 16. Minnesota Statutes 1992, section 136D.86, is amended to read:

136D.86 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.87, The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.~~

Sec. 17. 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)~~ clause (5).

Sec. 18. Minnesota Statutes 1993 Supplement, section 245.492, subdivision 10, is amended to read:

Subd. 10. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] "Interagency early intervention committee" refers to the committee established under section ~~120.17~~ 120.1701, subdivision ~~12~~ 5.

Sec. 19. Minnesota Statutes 1992, section 252.21, is amended to read:

252.21 [COUNTY BOARDS MAY MAKE GRANTS FOR DEVELOPMENTAL ACHIEVEMENT CENTER SERVICES FOR CHILDREN WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

In order to assist county boards in carrying out responsibilities for the provision of daytime developmental achievement center services for eligible children, the county board or boards are hereby authorized to make grants, within the limits of the money appropriated, to developmental achievement centers for services to children with mental retardation or related conditions. In order to fulfill its responsibilities to children with mental retardation or related conditions as required by sections 120.17, 120.1701, and 256E.08, subdivision 1, a county board may, beginning January 1, 1983, contract with developmental achievement centers or other providers.

ARTICLE 14

BURNSVILLE

Section 1. Minnesota Statutes 1992, section 124.242, is amended to read:

124.242 [BUILDING BONDS FOR CALAMITIES.]

Subdivision 1. [BONDS.] When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program. Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

- (1) insurance proceeds;
- (2) restitution proceeds; and
- (3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.

Subd. 2. [HEALTH AND SAFETY REVENUE.] For any fiscal year where the total amount of health and safety revenue is limited, the commissioner of education shall award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

Sec. 2. 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 requests for health and safety revenue to address calamities. 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. 3. [WAIVER OF RULES AND STATUTES.]

Upon approval of the commissioner of education, for the 1993-1994 school year only, independent school district No. 191, Burnsville, may provide a shorter school day than required by Minnesota Rules, part 3500.1200, and may offer fewer instructional days and maintain school for fewer required days than specified by Minnesota Statutes, sections 120.101, subdivision 5b, and 124.19, and is not subject to a general education aid reduction.

Sec. 4. [APPROPRIATIONS.]

\$500,000 is appropriated from the general fund to the commissioner of education in fiscal year 1995 to make a grant to independent school district No. 191, Burnsville.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 15

TECHNICAL COLLEGES

Section 1. [TECHNICAL COLLEGE FUNDING SHIFT.]

\$24,000,000 is appropriated in fiscal year 1995 from the general fund to the state board of technical colleges to eliminate the funding shift under Minnesota Statutes 1992, section 136C.36, and to provide 100 percent funding in the year for which it is appropriated."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

House Conferees: KATHLEEN VELLENGA, GERALD J. "JERRY" BAUERLY AND ALICE M. JOHNSON.

Senate Conferees: LAWRENCE J. POGEMILLER, JERRY R. JANEZICH, SANDRA L. PAPPAS AND MARTHA R. ROBERTSON.

Vellenga moved that the report of the Conference Committee on H. F. No. 2189 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2189, 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, 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; 475.61, subdivision 4; and 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, articles 6, section 34; and 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; 126; 127; 134; and 169; 473; repealing 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, 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; 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.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3041

A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

May 6, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 3041, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3041 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] (a) The Minnesota amateur sports commission consists of 12 voting members, four of whom must be experienced in promoting amateur sports. Nine of the voting members shall be appointed by the governor to three-year terms. Of the total commission membership, including voting and nonvoting members, one member must reside in each of the state's congressional districts. Two Four legislators, one two from each house appointed according to its rules, shall be nonvoting members. One member from each house shall be from the minority caucus. Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

(b) The governor, speaker of the house of representatives, and senate majority leader shall each appoint one additional voting member to the commission to a two-year term. The purpose of adding three members to the commission is to ensure gender balance in commission membership. Compensation, removal, and filling of vacancies of members appointed under this paragraph are as provided in section 15.0575. A member appointed under this paragraph may be reappointed.

Sec. 2. Minnesota Statutes 1992, section 473.551, is amended to read:

473.551 [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 473.551 to ~~473.595~~ 473.599, the following terms shall have the meanings given in this section.

Subd. 2. [CITIES.] "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. [COMMISSION.] "Commission" means the metropolitan sports facilities commission.

Subd. 4. [METRODOME DEBT SERVICE.] "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581 ~~or assumed by the council or for which the council is obligated under section 473.564.~~

Subd. 5. [METROPOLITAN SPORTS AREA.] "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon, ~~now including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.~~

Subd. 6. [METROPOLITAN SPORTS AREA COMMISSION.] "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities ~~are now parties~~ were parties on May 17, 1977.

Subd. 7. [MULTIPURPOSE SPORTS FACILITY.] "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium ~~or~~ stadiums, ~~or~~ arenas suitable for university or major league professional baseball ~~or~~ for university or major league professional football and soccer, or for both, ~~or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of this act, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.~~

Subd. 9. [METRODOME.] "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. [BASKETBALL AND HOCKEY ARENA.] "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. [HEALTH CLUB.] "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of this act, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. [MET CENTER.] "Met center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. [DEVELOPMENT AGREEMENT.] "Development agreement" means the second amended and restated development agreement among the Minneapolis community development agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of this act.

Subd. 14. [GROUND LEASE.] "Ground lease" means the ground lease of the arena land between the Minneapolis community development agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of this act.

Subd. 15. [GUARANTORS.] "Guarantors" means the individuals who have guaranteed to the Minneapolis community development agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. [ARENA LAND.] "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. [BASKETBALL AND HOCKEY ARENA DEBT SERVICE.] "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

Sec. 3. Minnesota Statutes 1992, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 4. Minnesota Statutes 1992, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor as the ~~seventh~~ ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the ~~metropolitan area~~ city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 5. Minnesota Statutes 1992, section 473.553, is amended by adding a subdivision to read:

Subd. 6. [MEMBERSHIP CHANGE.] If the basketball and hockey arena is acquired pursuant to section 473.598, and an appropriation is made pursuant to section 240A.09, then the number of members of the commission shall change, as follows. On January 1 next following the initial appropriation pursuant to section 240A.09, the commission shall consist of eight members plus a chair appointed as provided in subdivision 3. Six members shall be the members appointed by the Minneapolis city council under subdivision 2 and subject to subdivision 5. Two additional members, other than the chair, shall be appointed by the governor; neither of those members shall reside in the city of Minneapolis, and one of those members must reside outside the metropolitan area. The term of one of the members appointed under this subdivision by the governor shall end the first Monday in January 1996 and the term of the other member appointed by the governor shall end the first Monday in January 1998. Thereafter, their terms are as determined under subdivision 5.

Sec. 6. Minnesota Statutes 1992, section 473.556, is amended to read:

473.556 [POWERS OF COMMISSION.]

Subdivision 1. [GENERAL.] The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. [ACTIONS.] The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to ~~473.595~~ 473.599 within the limits of the metropolitan area.

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to ~~473.595~~ 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to ~~473.595~~ 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to ~~473.595~~ 473.599, including the operation of the ~~metropolitan sports area, but not including property sold or leased for development pursuant to subdivision 6, metrodome, met center, and, if acquired by the commission, the basketball and hockey arena~~ shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property ~~at the metropolitan sports area comprising the met center~~ which is leased by the commission for ~~development pursuant to subdivision 6~~ residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the ~~metropolitan sports area metrodome, met center, basketball and hockey arena~~ and sports facilities constructed or, remodeled, or acquired under the provisions of sections 473.551 to ~~473.595~~ 473.599.

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in ~~the manner~~ accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to ~~473.595~~ 473.599.

(b) ~~Real property at the metropolitan sports area (not including the indoor public assembly facility and adjacent parking facilities) which is no longer needed for sports facilities may be sold or leased for residential, commercial, or industrial development in accordance with the procedures in section 469.065 within two years to a private, for-profit entity, and thereafter the property shall be subject to all applicable taxes and assessments and all government laws, rules and ordinances bearing on use and development as if the property were privately owned.~~

(c) Any real property right, title, or interest within the provisions of paragraph (b) owned by the commission may be sold or leased in whole or in part to the port authority of the city of Bloomington to further the general plan of port improvement or industrial development or for any other purpose which the authority considers to be in the best interests of the district and its people. The property shall be sold or leased to the authority in accordance with section 469.065, subdivisions 1 to 4. Section 469.065, subdivisions 5 to 7, shall not apply to a sale under this paragraph.

(d) Real property disposed of under clause (c) shall be subject to leases, agreements, or other written interests in force on June 1, 1983.

(e) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. [CONTRACTS.] The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. [EMPLOYEES; CONTRACTS FOR SERVICES.] The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. [GIFTS AND GRANTS.] The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. [RESEARCH.] The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. [AGREEMENTS WITH UNIVERSITY.] The commission and the board of regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.595 473.599.

Subd. 12. [USE AGREEMENTS.] The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. [INSURANCE.] The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. [SMALL BUSINESS CONTRACTS.] In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16B.22, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16B.21.

Subd. 16. [AGREEMENTS WITH AMATEUR SPORTS COMMISSION.] (a) The commission and the Minnesota amateur sports commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota amateur sports commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota amateur sports commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use or other agreement entered into by the Minnesota amateur sports commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota amateur sports commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota amateur sports commission; and

(2) provide for a release of the Minnesota amateur sports commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metrodome under section 473.581 have been retired.

(c) No long-term lease, use or other agreement entered into by the Minnesota amateur sports commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.

(d) Any long-term lease, use or other agreement entered into under paragraph (a) shall provide that the Minnesota amateur sports commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota amateur sports commission to allow another person or organization to use one or more of its days.

Subd. 17. [CREATING A CONDOMINIUM.] The commission may, by itself or together with the Minneapolis community development agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

Sec. 7. Minnesota Statutes 1992, section 473.561, is amended to read:

473.561 [EXEMPTION FROM COUNCIL REVIEW.]

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.595 473.599 and shall not be affected by the provisions of sections 473.161, 473.165, and 473.173.

Sec. 8. Minnesota Statutes 1992, section 473.564, subdivision 2, is amended to read:

Subd. 2. [ASSUMPTION OF OBLIGATIONS.] Upon transfer of ownership of the metropolitan sports area to the commission, the council shall be and become obligated and shall provide for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement among the cities and amendments thereto. The council shall provide to Minneapolis funds sufficient to meet the payments and to maintain the sinking fund pursuant to the agreement. When the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the council shall be discharged. When the principal and interest on the bonds have been paid in full, any balance remaining in the sinking fund, including interest earnings, shall be remitted to the council and used by the council for debt service. Upon transfer of ownership of the metropolitan sports area to the commission, the commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use agreements now in effect, entered into by the metropolitan sports area commission on behalf of the cities, providing for the use of the metropolitan sports area or any part thereof by any person. The cities and the metropolitan sports area commission shall cause to be executed all assignments and other documents as the commission, upon advice of counsel, shall deem necessary or desirable and appropriate to vest all their rights and privileges under the agreements in the commission. Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

Sec. 9. Minnesota Statutes 1992, section 473.572, is amended to read:

473.572 [REVISED FINAL DETERMINATION.]

Subdivision 1. ~~Notwithstanding any final determination reached by the commission on or before December 1, 1978, pursuant to section 473.571, subdivision 6, the commission shall make a revised determination on a sports facility or sports facilities which facility or facilities (1) may be covered, (2) may include use of the existing or a remodeled metropolitan stadium for baseball, and (3) shall be located in Hennepin county. The decision shall be made within 30 days after May 26, 1979. In making its decision the commission may rely on data previously submitted and reviewed pursuant to section 473.571 and need not require new data even if modifications are made in an alternative previously considered. The commission shall give full consideration to the needs of the University of Minnesota when making its revised determination.~~

Subd. 2. ~~Except as provided in this section, The council shall make all determinations required by section sections~~ 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

Subd. 3. ~~2.~~ It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the sports facility metrodome which will make the sports facility metrodome self supporting so that the taxes imposed under section 473.592 for the metrodome will be at the lowest possible rate consistent with the obligations of the political subdivision levying these taxes city of Minneapolis as provided in sections 473.551 to 473.595.

Sec. 10. Minnesota Statutes 1992, section 473.581, is amended to read:

473.581 [DEBT OBLIGATIONS.]

Subdivision 1. [BONDS.] The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of ~~sports facilities~~ the metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder ~~and bonds upon which the council is obligated under section 473.564;~~ and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the metrodome and the met center.

Subd. 2. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of ~~any political subdivision~~ the city of Minneapolis to levy a tax pursuant to ~~an agreement~~ agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing metropolitan stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use its ~~sports facilities~~ the metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the ~~commission's sports facilities metrodome~~. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the ~~facilities used~~ use of the metrodome by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the ~~sports facility metrodome~~ may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the metrodome, to construct or remodel and to furnish the ~~sports facilities metrodome~~ proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of ~~any proposed sports facilities~~ the metro dome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of ~~any proposed sports facilities~~ the metro dome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of ~~its sports facilities~~ the metro dome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the ~~sports facility or facilities~~ metro dome has been accepted by the environmental quality board, and the pollution control agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the ~~sports facility or facilities~~ metro dome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the ~~sports facility or facilities~~ metro dome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the ~~sports facility or facilities~~ metro dome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The ~~municipality where the facility is to be constructed~~ city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the metro dome debt service.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the ~~sports facility~~ metro dome where the game is to be played or at the box office closest to the ~~sports facility~~ metro dome, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the ~~municipality in which any new sports facility is to be located~~ city of Minneapolis.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the metrodome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission attributable to the metrodome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the ~~commission's sports facilities~~ metrodome until all bonds referred to in section 473.564, subdivision 2, and all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. ~~The revenue bonds and interest thereon referred to in section 473.564, subdivision 2, may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b), for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and the council may provide that a portion of the new bonds shall be payable solely from the interest earnings derived from the investment of the bond proceeds. Until these revenue bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and shall be secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section and bonds referred to in section 473.564, subdivision 2, may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other metrodome and met center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.~~

Subd. 5. [REVENUE ANTICIPATION CERTIFICATES.] At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of ~~its sports facilities~~ the metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the metrodome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of ~~sports facilities~~ the metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

Sec. 11. Minnesota Statutes 1992, section 473.592, is amended to read:

473.592 [TAX REVENUES.]

Subdivision 1. [LOCAL SALES TAX.] ~~Upon designation of a location for a sports facility pursuant to section 473.572, the municipality in which the facility is to be located~~ The city of Minneapolis may enter into an agreement ~~agreements~~ with the metropolitan council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.595 473.599. The tax may be imposed:

(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality, or

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality, or

(c) on both. ~~The agreement between the municipality the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or~~

(d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

The agreement or agreements between the city, the metropolitan council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds referred to in section 473.564, subdivision 2 and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the sports facilities metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of this act, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis park and recreation board. The agreement agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the metropolitan council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the metrodome debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis park and recreation board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The agreement agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction, of the metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. A sports facility The metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the metrodome in accordance with this section. A basketball and hockey arena shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the metropolitan council and the city of Minneapolis for use by the Minneapolis park and recreation board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the metrodome shall be placed, together with the net revenues of the commission attributable to the metrodome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the metrodome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, debt service on bonds referred to in section 473.564, subdivision 2, and expenses of operation, administration, and maintenance of the sports facilities metrodome. The proceeds shall not be used for any capital costs of sports facilities constructed under sections 473.551 to 473.595 the metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to

secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

Subd. 2. [METROPOLITAN LIQUOR TAX.] All proceeds of the liquor tax collected by the council pursuant to the provisions of Minnesota Statutes 1978, section 473.591, prior to August 1, 1979, not otherwise expended or applied as provided in this chapter, together with any earnings derived from the investment of such revenues, may be used for any purpose for which the tax revenues under subdivision 1 may be used.

Sec. 12. Minnesota Statutes 1992, section 473.595, is amended to read:

473.595 [COMMISSION FINANCES.]

Subdivision 1. [METRODOME ADMISSION TAX.] Effective January 1, 1978, The commission shall by resolution impose ~~a three and maintain a ten percent~~ admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities; ~~except for those activities sponsored at the indoor public assembly facility at the metropolitan sports area known as the metropolitan sports center. Commencing with the operation of sports facilities constructed or remodeled by the commission pursuant to sections 473.551 to 473.595, the commission shall impose an additional seven percent admission tax upon activities conducted at such sports facilities. Effective January 1, 1978, at the metrodome.~~ No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the ~~commission's facilities~~ metrodome is discretionary with the commission.

Subd. 1a. [ARENA ADMISSION TAX.] The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. [RENTALS; FEES; CHARGES.] Rentals, fees, and charges provided for in use agreements at the metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to all facilities in the metropolitan sports area and any sports facility constructed pursuant to Laws 1977, chapter 89 the met center, the metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area in which Laws 1977, chapter 89 is effective, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. [BUDGET PREPARATION; REVIEW AND APPROVAL.] The commission shall comply with the provisions of section 473.163, provided that the entire budget, including operating revenues and expenditures for operation, administration, and maintenance, shall be subject to approval by the council, in accordance with the procedures described in section 473.163.

Subd. 4. [PAYMENT OF COUNCIL COSTS.] The commission shall comply with the provisions of section 473.164.

Subd. 5. [AUDIT.] The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. [GENERAL.] The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its metrodom debt service fund funds, at the times required by resolution of the council, the net revenue attributable to the metrodom in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. [SALE OF SEATS.] The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

Sec. 13. Minnesota Statutes 1992, section 473.596, is amended to read:

473.596 [ACCESS STREETS AND HIGHWAYS, HIGHWAY USER TAX DISTRIBUTION FUND.]

No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section 4, of the Minnesota Constitution if such work is done in order to provide or improve access to a new sports facility the metrodom constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

Sec. 14. [473.598] [ARENA ACQUISITION.]

Subdivision 1. [COMMISSION DETERMINATION.] The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. [EXAMINATION AND DISCLOSURE OF LOAN TERMS.] Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. [COMMISSION PROPOSAL.] (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the metropolitan council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated

with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the metropolitan council under paragraph (a), the commission shall submit the proposal to the legislative auditor and the department of finance for review, evaluation, and comment. The legislative auditor shall present the evaluation and comments to the legislative audit commission. Both the legislative auditor and the commissioner of finance shall present their evaluation and comments to the chairs of the house taxes, and ways and means committees, to the chair of the state government finance division of the house governmental operations committee, and to the chairs of the senate taxes and finance committees. Any data which is not public data under subdivision 4 shall remain not public data when given to the legislative auditor or the department of finance.

Subd. 4. [TREATMENT OF DATA.] (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 2 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 2; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. [HOCKEY AGREEMENT.] The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

Sec. 15. [473.599] [DEBT OBLIGATIONS.]

Subdivision 1. [REVENUES.] It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. [BONDS.] The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis community development agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis community development agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis community development agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis community development agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis community development agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis community development agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis community development agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis community development agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of this act, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis community development agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis community development agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the purposes specified in this article and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from

the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. [REVENUE ANTICIPATION CERTIFICATES.] After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. [ARENA FREE OF MORTGAGES, LIENS, AND OBLIGATIONS.] With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. [REIMBURSEMENT TO STATE.] The commission shall compensate the state for its contribution from the general fund under section 17, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under section 17 to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted under section 20, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

Sec. 16. [ALL TENANT TERMS AND CONDITIONS OF AGREEMENTS MUST BE MADE PUBLIC.]

An agreement to occupy the basketball and hockey arena as defined in Minnesota Statutes, section 473.551, subdivision 10, is not enforceable by any party to it unless all its terms and conditions are made public before it is intended to take effect.

Sec. 17. [240A.09] [APPROPRIATION.]

\$750,000 is appropriated annually from the general fund to the Minnesota amateur sports commission for the purpose of entering into long-term leases, use, or other agreements with the metropolitan sports facilities commission for the conduct of amateur sports activities at the basketball and hockey arena, consistent with the purposes set forth in chapter 240A, including (1) stimulating and promoting amateur sports, (2) promoting physical fitness by promoting participation in sports, (3) promoting the development of recreational amateur sport opportunities and activities, and (4) promoting local, regional, national, and international amateur sport competitions and events. The metropolitan sports facilities commission may allocate 50 dates a year for the conduct of amateur sports activities at the basketball and hockey arena by the amateur sports commission. At least 12 of the dates must be on a Friday, Saturday, or Sunday. If any amateur sports activities conducted by the amateur sports commission at the basketball and hockey arena are restricted to participants of one gender, an equal number of activities on comparable days of the week must be conducted for participants of the other gender, but not necessarily in the same year. The legislature reserves the right to repeal or amend this appropriation, and does not intend this appropriation to create public debt.

Sec. 18. [ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The metropolitan sports facilities commission shall create an advisory task force for the purpose of studying the overall impact of professional sports in the state. The task force shall consist of 18 members as follows:

- (a) the governor or the governor's designee;
- (b) the commissioner of trade and economic development;
- (c) the chair of the Minnesota amateur sports commission;
- (d) the chair of the metropolitan sports facilities commission;
- (e) the chairs of the metropolitan and local government committee of the senate, and the local government and metropolitan affairs committee of the house of representatives, or their successor committees;
- (f) the chairs of the jobs, energy and community development committee of the senate, and the commerce and economic development committee of the house of representatives, or their successor committees;
- (g) eight public members, appointed by the governor, one from each congressional district;
- (h) one minority member of the senate, appointed by the subcommittee on committees of the rules and administration committee; and
- (i) one minority member of the house of representatives, appointed by the speaker of the house.

Subd. 2. [STUDY.] The advisory task force must at a minimum analyze the following factors:

- (a) the economic disruption and worker dislocation that would occur in the event that a professional sports team would relocate;
- (b) the dynamics and consequences of cities competing against each other for professional sports franchises; and
- (c) the relative public costs of obtaining and keeping professional sports franchises.

The advisory task force shall make findings and report to the legislature by February 1, 1995, on the overall impact of professional sports franchises on the state and recommendations on a policy the state should adopt with regard to obtaining and retaining professional sports franchises. This section expires June 1, 1995.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571, are repealed.

Sec. 20. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective for appointments for vacancies occurring on the amateur sports commission after December 31, 1994. The remainder of this article takes effect the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

Section 1. [240A.08] [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit and that involve construction of more than three ice sheets in a single facility.

(b) The Minnesota amateur sports commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(c) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(d) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(e) To the extent possible, all proposed facilities must be dispersed equitably and must be located to maximize potential for full utilization and profitable operation.

(f) The Minnesota amateur sports commission may also use the funds to upgrade current facilities, purchase girl's ice time, or conduct amateur women's hockey and other ice sport tournaments.

Sec. 2. [240A.09] [AGREEMENTS.]

The Minnesota amateur sports commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of ice arena facilities that in the determination of the commission, conform to its criteria.

Sec. 3. [240A.10] [GENERAL OBLIGATION SPECIAL TAX BONDS FOR ICE CENTERS.]

State general obligation bonds issued to finance the construction of the ice centers provided for in sections 1 and 2 may be general obligation special tax bonds under section 16A.661 and debt service on the bonds may be paid from sports and health club sales tax revenue as provided in section 16A.661, subdivision 3, paragraph (b).

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 473.551; 473.552; 473.553, subdivision 3, and by adding a subdivision; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571."

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

House Conferees: RICHARD H. JEFFERSON, CHUCK BROWN, PHYLLIS KAHN AND H. TODD VAN DELLEN.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER, DEANNA WIENER, ROY W. TERWILLIGER AND TED A. MONDALE.

Jefferson moved that the report of the Conference Committee on H. F. No. 3041 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3041, A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

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

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dauids	Hasskamp	Kinkel	Olson, K.	Rodosovich	Van Dellen
Bauerly	Dawkins	Hugoson	Klinzing	Onnen	Rukavina	Vellenga
Bertram	Dempsey	Huntley	Krueger	Opatz	Sarna	Wagenius
Bishop	Dorn	Jacobs	Leppik	Orfield	Sekhon	Weaver
Brown, C.	Erhardt	Jaros	Lynch	Osthoff	Simoneau	Wejcman
Brown, K.	Evans	Jefferson	Mariani	Ozment	Skoglund	Wenzel
Carlson	Frerichs	Jennings	McGuire	Pelowski	Solberg	Winter
Carruthers	Girard	Johnson, A.	Milbert	Peterson	Swenson	Wolf
Clark	Greenfield	Kahn	Morrison	Reding	Tomassoni	Spk. Anderson, I.
Cooper	Greiling	Kelley	Munger	Rice	Tunheim	

Those who voted in the negative were:

Abrams	Delmont	Holsten	Limner	Murphy	Pawlenty	Tompkins
Anderson, R.	Farrell	Johnson, R.	Lindner	Neary	Perl	Trimble
Asch	Finseth	Kalis	Lourey	Nelson	Pugh	Van Engen
Beard	Garcia	Kelso	Luther	Ness	Rest	Vickerman
Bergson	Goodno	Knight	Macklin	Olson, E.	Rhodes	Waltman
Bettermann	Gruenes	Koppendrayer	Mahon	Olson, M.	Seagren	Worke
Commers	Gutknecht	Krinkie	McCollum	Orenstein	Smith	Workman
Dauner	Haukoos	Lasley	Molnau	Ostrom	Steensma	
Dehler	Hausman	Lieder	Mosel	Pauly	Svigum	

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2189, 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, 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; 475.61, subdivision 4; and 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, articles 6, section 34; and 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; 126; 127; 134; and 169; 473; repealing 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, 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; 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.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3041, A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

This is to notify you that the Senate is about to adjourn the Seventy-Eighth Legislative Session sine die.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this 78th Session sine die. The motion prevailed.

MOTION TO ADJOURN SINE DIE

Carruthers moved that the House adjourn sine die. The motion prevailed, and the Speaker declared the House adjourned sine die.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

