

## FIFTIETH DAY

St. Paul, Minnesota, Wednesday, May 2, 1973.

The Senate met at 8:00 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dunn	Keefe, S.	North	Purfeerst
Arnold	Fitzsimons	Kirchner	Novak	Schrom
Berg	Frederick	Kowalczyk	Olhoft	Spear
Bernhagen	Gearty	Laufenburger	Olson, A. G.	Stokowski
Chenoweth	Hansen, Baldy	Lewis	Olson, J. L.	Thorup
Coleman	Hanson, R.	Lord	Perpich, A. J.	Ueland
Conzemius	Hughes	McCutcheon	Perpich, G.	Wegener
Doty	Humphrey	Moe	Pillsbury	Willet

The Sergeant-at-Arms was instructed to bring in the absent members.

Prayer by the Chaplain.

The roll being called, the following Senators answered to their names:

Anderson	Doty	Kirchner	Novak	Sillers
Arnold	Dunn	Kleinbaum	Ogdahl	Solon
Ashbach	Fitzsimons	Knutson	Olhoft	Spear
Bang	Frederick	Kowalczyk	Olson, A. G.	Stassen
Berg	Gearty	Krieger	Olson, H. D.	Stokowski
Bernhagen	Hansen, Baldy	Larson	Olson, J. L.	Tennessen
Blatz	Hansen, Mel	Laufenburger	O'Neill	Thorup
Borden	Hanson, R.	Lewis	Perpich, A. J.	Ueland
Brown	Hughes	Lord	Perpich, G.	Wegener
Chenoweth	Humphrey	McCutcheon	Pillsbury	Willet
Chmielewski	Jensen	Milton	Purfeerst	
Coleman	Josefson	Moe	Renneke	
Conzemius	Keefe, J.	Nelson	Schaaf	
Davies	Keefe, S.	North	Schrom	

Quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mr. Patton was excused from the Session of today. Mr. O'Neill was excused from the Session of this evening.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

April 30, 1973

The Honorable Alec G. Olson  
President of the Senate

Sir:

I have the honor to inform you that I have received, approved, signed and deposited in the office of the Secretary of State the following Senate File:

S. F. No. 1827, An act relating to the operation of state government for the fiscal year ending June 30, 1973; appropriating money therefor.

Sincerely,  
Wendell R. Anderson, Governor

The Honorable Martin O. Sabo, Speaker  
of the House of Representatives

The Honorable Alec G. Olson, President  
of the Senate

Sir:

I have the honor to inform you that the following enrolled Acts of the 1973 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 11:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1973	Date Filed 1973
	127	Chapter 125	April 27, 1973	April 27, 1973
	420	Chapter 126	April 27, 1973	April 27, 1973
	492	Chapter 127	April 27, 1973	April 27, 1973
	527	Chapter 128	April 27, 1973	April 27, 1973
	540	Chapter 129	April 27, 1973	April 27, 1973
	946	Chapter 130	April 27, 1973	April 27, 1973
	1185	Chapter 131	April 27, 1973	April 27, 1973
	1187	Chapter 132	April 27, 1973	April 27, 1973
	1218	Chapter 133	April 27, 1973	April 27, 1973
	1258	Chapter 134	April 27, 1973	April 27, 1973
994		Chapter 135	April 27, 1973	April 27, 1973
908		Chapter 136	April 27, 1973	April 27, 1973
839		Chapter 137	April 27, 1973	April 27, 1973
831		Chapter 138	April 27, 1973	April 27, 1973
566		Chapter 139	April 27, 1973	April 27, 1973
285		Chapter 140	April 27, 1973	April 27, 1973
188		Chapter 141	April 27, 1973	April 27, 1973
150		Chapter 142	April 27, 1973	April 27, 1973

Sincerely,  
Arlen Erdahl  
Secretary of State

**INTRODUCTION OF BILLS**

Messrs. Laufenburger, Borden and Olhoft introduced—

S. F. No. 2418: A bill for an act relating to the promotion of tourism in the state; providing for the financing of tourist and related recreational facilities; amending Minnesota Statutes 1971, Section 474.02, by adding a subdivision.

Which was read the first time and referred to the Committee on Transportation and General Legislation.

Mr. Hughes introduced—

S. F. No. 2419: A bill for an act relating to courts; setting the salary of the judge of municipal court in North St. Paul; amending Minnesota Statutes 1971, Section 488.21, Subdivision 2.

Which was read the first time and referred to the Committee on Metropolitan and Urban Affairs.

Mr. Hughes introduced—

S. F. No. 2420: A bill for an act relating to the village of North St. Paul; authorizing the construction and financing of certain awnings in the village pursuant to Minnesota Statutes, Chapter 429.

Which was read the first time and referred to the Committee on Metropolitan and Urban Affairs.

Messrs. Hughes, Ashbach and Humphrey introduced—

S. F. No. 2421: A bill for an act relating to education; establishing a grant-in-aid and loan program for participants in early childhood programs; appropriating money annually.

Which was read the first time and referred to the Committee on Education.

Mr. Brown introduced—

S. F. No. 2422: A bill for an act relating to municipalities; requiring municipalities to adopt and enforce ordinances requiring payment of a school building and facilities fee prior to issuance of certain building permits under certain conditions; providing a penalty for violation.

Which was read the first time and referred to the Committee on Education.

Mr. Perpich, G. introduced—

S. F. No. 2423: A bill for an act relating to Bois Forte Indian Reservation at Nett Lake; providing for the retrocession to the

United States of America of all criminal jurisdiction in that area of Indian country.

Which was read the first time and referred to the Committee on Judiciary.

Messrs. Humphrey, Hughes, and Keefe, J. introduced—

S. F. No. 2424: A bill for an act relating to education; early childhood; creating an office of early childhood development in the department of education, to promote, plan and coordinate; providing for an annual report to the legislature; appropriating money.

Which was read the first time and referred to the Committee on Education.

Messrs. Lord, Dunn and North introduced—

S. F. No. 2425: A bill for an act relating to vehicles; regulating the use, renting of, and insurance on off-road vehicles; providing for registration thereof; providing penalties.

Which was read the first time and referred to the Committee on Natural Resources and Agriculture.

Mr. Josefson introduced—

S. F. No. 2426: A bill for an act authorizing conveyance of certain state lands in Lyon county to the Southwest Minnesota College Foundation.

Which was read the first time and referred to the Committee on Finance.

Messrs. Coleman, Ogdahl and Milton introduced—

S. F. No. 2427: A bill for an act relating to commerce and consumer affairs; creating and defining duties and powers of the department of commerce and consumer affairs; transferring certain functions, powers and duties among departments.

Which was read the first time and referred to the Committee on Governmental Operations.

Mr. Conzemius introduced—

S. F. No. 2428: A bill for an act relating to courts; providing for an additional judge of district court in the first judicial district; amending Minnesota Statutes 1971, Section 2.722.

Which was read the first time and referred to the Committee on Judiciary.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1584 and 1627.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1973.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 910: A bill for an act relating to snowmobiles; prohibiting the operation thereof on public airports; prescribing penalties; amending Minnesota Statutes 1971, Sections 84.87, by adding a subdivision; and 84.88, Subdivision 1.

S. F. No. 910 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1973.

Mr. Tennesen moved that the Senate do not concur in the amendments by the House to S. F. No. 910 and that a Conference Committee of 3 members be appointed by the Committee on Committees on the part of the Senate to act with a like Conference Committee to be appointed on the part of the House. Which motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1080: A bill for an act relating to historic sites; providing for acquisition, administration, and control of additional sites by the Minnesota historical society; amending Minnesota Statutes 1971, Section 138.025, by adding subdivisions.

Senate File No. 1080 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1973.

**CONCURRENCE AND REPASSAGE**

Mr. Kirchner moved that the Senate do now concur in the amendments by the House to S. F. No. 1080 and that the bill be placed on its repassage as amended. Which motion prevailed.

S. F. No. 1080 was read the third time, as amended by the House, and placed on its repassage.

The question being taken on the repassage of the bill, as amended,

And the roll being called, there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Ogdahl	Spear
Arnold	Fitzsimons	Kowalczyk	Olhoft	Stassen
Ashbach	Frederick	Larson	Olson, A. G.	Stokowski
Bang	Gearty	Laufenburger	Olson, J. L.	Tennessee
Bernhagen	Hansen, Baldy	Lewis	O'Neill	Thorup
Chenoweth	Hanson, R.	Lord	Perpich, A. J.	Ueland
Chmielewski	Hughes	McCutcheon	Pillsbury	Wegener
Coleman	Humphrey	Milton	Purfeerst	Willet
Conzemius	Josefson	Mce	Schaaf	
Davies	Keefe, S.	North	Schrom	
Doty	Kirchner	Novak	Sillers	

So the bill, as amended, was repassed and its title was agreed to.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 140, 1295, 1681, 1825, 1939, 1940, 2127, 889, 1382 and 1383.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1973.

#### FIRST READING OF HOUSE BILLS

H. F. No. 140: A bill for an act relating to accident and health insurance; policies to provide for reimbursement for services of osteopath, optometrist or chiropractor; amending Minnesota Statutes 1971, Section 62A.03, Subdivision 1.

H. F. No. 1295: A bill for an act relating to public education; providing a minute of classroom silence.

H. F. No. 1681: A bill for an act relating to the municipal housing and redevelopment act, providing for the construction of market rate housing in cities of the first class; amending Minnesota Statutes 1971, Sections 462.415, by adding a subdivision; 462.591, by adding a subdivision; 462.611; 462.621, by adding a subdivision; 462.631; 462.645, Subdivision 6; 462.691; and 462.695, Subdivisions 1 and 2.

H. F. No. 1825: A bill for an act relating to insurance; the merger and consolidation of insurance companies; permitting the issuance of securities of a corporation which is not a merging or consolidating corporation or the payment of cash; amending Minnesota Statutes 1971, Section 60A.16, Subdivision 2.

H. F. No. 1939: A bill for an act relating to the uniform commercial code; the holding and transferring of investment

securities; amending Minnesota Statutes 1971, Sections 336.8-102; 336.8-320; and Chapter 520, by adding a section.

H. F. No. 1940: A bill for an act relating to insurance; automobile insurance plan governing committee; revising the membership of said committee; amending Minnesota Statutes 1971, Section 65B.03.

H. F. No. 2127: A bill for an act relating to courts; setting the salary of the judge of municipal court in North St. Paul; amending Minnesota Statutes 1971, Section 488.21, Subdivision 2.

H. F. No. 889: A bill for an act relating to health; payment of medical and hospital benefits to governmental institutions in certain instances.

H. F. No. 1382: A bill for an act relating to insurance; deposits by domestic insurance companies; defining the kind of securities which domestic insurance companies must keep on deposit for the protection of policyholders; requiring all securities to be deposited in a state or national bank in Minnesota; amending Minnesota Statutes 1971, Sections 60A.10, Subdivisions 1 and 4, and by adding a subdivision; 60A.19, Subdivision 5; 61A.41; 63.02; 65A.22; 66A.08, Subdivision 1; and 68A.01, Subdivision 3.

H. F. No. 1383: A bill for an act relating to insurance; regulating fees for certain licenses; amending Minnesota Statutes 1971, Sections 60A.14, Subdivision 1; 70A.14, Subdivision 4.

Which were read the first time and referred to the Committee on Rules and Administration.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. Which motion prevailed.

Mr. Chenoweth from the Committee on Metropolitan and Urban Affairs, to which was referred

S. F. No. 1088: A bill for an act relating to municipalities; providing local government aid to certain municipalities; amending Minnesota Statutes 1971, Section 477A.01, Subdivisions 11 and 14.

Reports the same back with the recommendation that the bill be re-referred without recommendation to the Committee on Taxes and Tax Laws. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

Mr. Chenoweth from the Committee on Metropolitan and Urban Affairs, to which was referred

S. F. No. 2269: A bill for an act relating to the city of Hopkins; authorizing the levy, cancellation, and relevy of special assessments for automobile parking facilities.

Reports the same back with the recommendation that the bill do pass and be placed on the Calendar of Ordinary Matters. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

Mr. Gearty from the Committee on Governmental Operations, to which was referred

S. F. No. 134: A bill for an act relating to the legislature; establishing the civil service and unclassified personnel study commission as a permanent commission; appropriating money therefor; amending Laws 1971, Chapter 806, Section 4, Subdivisions 1 and 3; repealing Laws 1971, Chapter 806, Section 4, Subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, after the comma, strike "and"

Page 1, line 19, before the period, insert "*, and to meet and consult with the state labor negotiating team*"

Page 1, after line 19, insert:

"Sec. 2. Laws 1971, Chapter 806, Section 4, Subdivision 2, is amended to read:

Subd. 2. The commission shall consist of ~~six members; three members of the house of representatives appointed by the speaker and three members of the senate appointed by the senate committee on committees~~ *be comprised of the following individuals or their designated representatives, provided that the latter are legislators: the majority leader of the house of representatives; the minority leader of the house of representatives; the majority leader of the senate; the minority leader of the senate; the chairman of the senate finance committee; and the chairman of the house appropriations committee.* Any vacancy shall be filled by the appointing power.

Renumber the sections in sequence

Further amend the title in line 7, after "1" insert "*, 2*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

Mr. Perpich, A. J. from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1941: A bill for an act relating to sales and use taxes imposed by the city of Duluth; restricting the applicability of certain laws in relation thereto.

Reports the same back with the recommendation that the bill do pass. Report adopted.



Mr. Perpich, A. J. from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1960: A bill for an act relating to taxation; providing for assessment and valuation of cooperative associations; amending Minnesota Statutes 1971, Section 273.133.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich, A. J. from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 962: A bill for an act relating to taxation; real estate taxes upon state owned residential property.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, strike "1973" and insert "1975"

Page 1, line 15, strike "1974" and insert "1976"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Perpich, A. J. from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2016: A bill for an act relating to regional development commissions; authorizing the issuance of certificates of indebtedness; clarifying sales tax exemptions; amending Minnesota Statutes 1971, Sections 462.39, Subdivision 1; and 462.396, Subdivision 1; and Chapter 462, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 11, strike "*metropolitan area*" and insert "*region*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was referred

H. F. No. 588: A bill for an act relating to trade regulations; hazardous toys and other articles; restricting the manufacture, sale, and other traffic of such articles in this state; granting regulatory, investigatory, and enforcement powers to the director of the consumer services section of the department of commerce; providing for the testing of such articles; providing penalties.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was referred

H. F. No. 1625: A bill for an act relating to workmen's compen-

sation, suicide; amending Minnesota Statutes 1971, Section 176.021, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was referred

H. F. No. 1045: A bill for an act relating to automobile insurance; cancellation; right to complain; amending Minnesota Statutes 1971, Sections 65B.19, and 65B.21.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hansen, Baldy from the Committee on Labor and Commerce, to which was referred

H. F. No. 1103: A bill for an act relating to the city of Mankato; authorizing the issuance of three additional on-sale liquor licenses.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 140, 1295, 1825, 1940, 2127, 889 and 1382 for comparison to companion Senate Files, reports the following House Files were found to have no companion Senate Files on Senate Calendars and are recommended to be re-referred to their respective committees as follows:

H. F. No. 1295 to the Committee on Education.

H. F. No. 889 to the Committee on Finance.

H. F. No. 2127 to the Committee on Metropolitan and Urban Affairs.

H. F. Nos. 140, 1825, 1940 and 1382 to the Committee on Labor and Commerce.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred. H. F. Nos. 1198, 1767, 1214, 1691, 1620, 1959, 2205, 977, 662, 1932, 1727, 1671, 1510, 1579, 748, 2239, 2206, 1580, 1319, 1853, 959, 813, 1711, 1190, 285, 2275, 938, 1960 for comparison to companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their Second Reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CALENDAR OF ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1198	1691	1214	1258		
1767	966	1727	1110		
1691	671	1671	1139		
1620	1449	1510	1384		
1959	1938	1579	1563		
2205	2235	748	718		
977	1308	2239	2032		
662	1468	2206	2156		
1932	1701	1580	1562		
		1319	1210		
		1960	1939		

And that the above Senate Files be indefinitely postponed.

House Files found not identical with companion Senate Files as follows:

GENERAL ORDERS		CALENDAR OF ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
959	1367	1853	1867	1190	1573
813	267				
1711	1904				
285	724				
2275	2305				
938	888				

Pursuant to Rule 49 the Committee recommends that H. F. No. 1853 be amended as follows:

Page 1, line 12, delete "*except any*"

Page 1, line 13, delete "*members who are also county commissioners,*"

Page 1, line 14, restore the stricken language and delete the underscored language

Page 1, line 17, after "source" and before the period, insert "*, provided that members of the board who are not county commissioners may receive \$20 for each day*"

And when so amended, H. F. No. 1853 will be identical to S. F. No. 1867 and further recommends that H. F. No. 1853 be given its second reading and substituted for S. F. No. 1867 and S. F. No. 1867 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 959 be amended as follows:

Page 1, line 10, delete "Section" and insert in lieu thereof "Sections"

And when so amended, H. F. No. 959 will be identical to S. F. No. 1367 and further recommends that H. F. No. 959 be given its second reading and substituted for S. F. No. 1367 and S. F. No. 1367 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 813 be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

"Section 1. Minnesota Statutes 1971, Section 85.05, is amended to read:

85.05 [STATE PARK CAMP SITES.] Subdivision 1. [RULES, FEES.] The commissioner is hereby authorized to make rules and regulations for the use of state parks and charge appropriate fees for such uses, as hereinafter specified;

(1) Provide special parking space for automobile or other motor-driven vehicle in any state park or state recreation area;

(2) Provide special parking spurs and camp grounds for automobiles and sites for tent-camping and special auto trailer coach parking spaces for the use of the individual charged for such space according to the daily rates which shall be determined and fixed by the commissioner of natural resources consistent with the type of facility provided for the accommodation of guests in any particular park and with similar facilities offered for tourist camping in the area;

(3) Improve and maintain golf courses already established in state parks, and charge reasonable fees for the use thereof;

(4) May charge a fee for entrance to any pageant grounds which may be created in any state park for the purpose of having historical or other pageants conducted by the commissioner of any other authorized agency.

When deemed necessary by the commissioner, for the purpose of better carrying out any such state park pageants, he may stage such pageants in any municipal park or other lands near or adjoining any state park, and all receipts from such pageants shall be used in the same manner as though the pageants were carried on in a state park;

(5) Provide water, sewer, and electric service to trailer or tent camp sites and charge a reasonable fee therefor.

*Any individual age 65 or over who furnishes satisfactory proof of age shall pay on Monday through Thursday one half of the fees set pursuant to paragraphs 1 through 4 of this subdivision.*

Subd. 2. [PERMITS FOR MOTOR VEHICLES.] (a) Except as provided in clauses (b) and , (c) and (d) of this subdivision, no motor vehicle shall enter or be permitted to enter any state park, state monument, state recreation area or state wayside over 50 acres in area unless it has affixed to its windshield in the lower right corner thereof a permit which is provided for hereinafter. The commissioner of natural resources shall procure permits in such form as he shall prescribe for each calendar year which by appropriate language shall grant permission to use any state park, state monument, state recreation area or state wayside over 50 acres in area. Permits for each calendar year shall be provided and placed on sale before October 1 next preceding, and may be affixed and used on or at any time after said date until the end of the calendar year for which issued. Such permits in each category shall be numbered consecutively for each year of issue. A fee of \$3 shall be charged for each permit issued, except that permits of appropriate special design may be sold individually at \$1 covering the use of state parks, state monuments, state recreation areas or state waysides under such conditions as the commissioner may prescribe for a designated period of not more than two days. The fee collected shall be deposited in the state park development account in the state treasury. Such permits shall be issued by such employees of the division of parks and recreation as the commissioner of natural resources may designate in writing and as hereinbefore provided.

(b) The commissioner shall issue without charge an employee's motor vehicle permit to any state employee who, for the purpose of performing official duties, must enter places where park stickers are required. The employee shall display his employee's permit on his motor vehicle in the same manner as state park stickers are displayed. A motor vehicle displaying only an employee's permit may not enter a place where park stickers are required if the vehicle is used for purposes other than those authorized by this clause (b).

(c) *The commissioner shall issue without charge a motor vehicle permit to any individual of the age of 65 years or over who furnishes satisfactory proof of age. Such permit or the decal evidencing its issuance shall be valid only when displayed upon the vehicle owned and occupied by the person to whom issued.*

(e) (d) No state park permit is necessary for entry of a motor vehicle into a state park, state monument, state recreation area, or state wayside, on one day each calendar year which the commissioner may designate as state park open house day for the purpose of acquainting the public with state parks, monuments, recreation areas, and waysides. The commissioner shall announce the date of state park open house day at least 30 days in advance of the open house.

Subd. 3. [APPLICATION OF PERMIT FEE CHANGES.] ~~The provisions of subdivision 2 as amended by Laws 1969, Chapter 917, Section 1, relating to changes in permit fees applies to annual or two day permits issued for the calendar year 1970 and for each year thereafter.~~

Sec. 2. *This act is effective January 1, 1974.* ”

Further, amend the title by striking it in its entirety and inserting in lieu thereof the following:

“A bill for an act relating to state parks and recreation areas; requiring free admission and reduced user fees for senior citizens; amending Minnesota Statutes 1971, Section 85.05.”

And when so amended, H. F. No. 813 will be identical to S. F. No. 267 and further recommends that H. F. No. 813 be given its second reading and substituted for S. F. No. 267 and S. F. No. 267 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 1711 be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

“Section 1. All of the bonded indebtedness of former independent school district No. 98 is assumed by independent school district No. 94 and shall be paid by a uniform tax levy spread upon the property in independent school district No. 94.

Sec. 2. Section 1 is effective upon its approval by the governing body of independent school district No. 94 and upon its approval by a majority of the voters of independent school district No. 94, and upon compliance with Minnesota Statutes, Section 645.021.”

Further, amend the title by striking it in its entirety and inserting in lieu thereof the following:

“A bill for an act relating to independent school district No. 94; assumption of bonded indebtedness of former independent school district No. 98 by independent school district No. 94.”

And when so amended, H. F. No. 1711 will be identical to S. F. No. 1904 and further recommends that H. F. No. 1711 be given its second reading and substituted for S. F. No. 1904 and S. F. No. 1904 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 1190 be amended as follows:

Page 2, line 3, reinstate the stricken language

Page 2, line 4, reinstate "or used exclusively on" and at the end of the line insert the following new language: "*a designated site and solid waste disposal and pollution control equipment, regardless of where located,*"

And when so amended, H. F. No. 1190 will be identical to S. F. No. 1573 and further recommends that H. F. No. 1190 be given its second reading and substituted for S. F. No. 1573 and S. F. No. 1573 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 285 be amended as follows:

Page 2, line 4, before "(b)" delete "may"

Page 2, line 6, before "~~(b)~~" strike "may"

Page 2, line 19, after "may" strike the comma

And when so amended, H. F. No. 285 will be identical to S. F. No. 724 and further recommends that H. F. No. 285 be given its second reading and substituted for S. F. No. 724 and S. F. No. 724 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 2275 be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

## "ARTICLE I

Section 1. DEPARTMENTS OF PUBLIC WELFARE, CORRECTIONS, HEALTH, COMMISSION ON ALCOHOL PROBLEMS, BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS, AND CORRECTIONS TO EXPEND MONEYS.

The sums hereinafter named, or so much thereof as may be necessary, are hereby appropriated from the general fund in the state treasury not otherwise appropriated, or any other fund herein designated, to be expended for the purposes specified in the following sections of this act, to be available for the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975.

### APPROPRIATIONS

Available for the Year

Ending June 30,

1973	1974	1975
\$	\$	\$

#### Sec. 2. TO THE COMMISSIONER OF PUBLIC WELFARE

Subdivision 1. Administration of the department of Public Welfare—salaries . . . . .

2,200,000 2,200,000

Unless approved by the governor, after consulting the legislative advisory committee, any federal funds received in excess of \$1,915,000 in fiscal year 1974 and \$1,930,000 in fiscal year 1975 shall reduce the state appropriation by a like amount.

#### Approved Complement—310.86

If the state assumes any portion of the costs of general relief, the approved complement may be increased up to but not more than six positions for auditing and supervision purposes after consulting with the legislative advisory committee, whose opinion shall be advisory only.

Notwithstanding any law to the contrary, when institutions of the department of public welfare or the department of corrections are consolidated, the director of civil service and the commissioner of administration shall direct the department incorporating the consolidation and all other departments of the state of Minnesota to employ the affected employees at no loss in salary.



	1973	1974	1975
	\$	\$	\$

The director of civil service is hereby directed to temporarily suspend any rules, regulations, or laws to accommodate these provisions. Any department which employs any of the affected employees is authorized to temporarily exceed its approved complement. The commissioner of administration shall develop procedures to insure that the moving expenses are reimbursed for those employees who relocate pursuant to the consolidation.

#### Subd. 2. Supplies and Expense

1,621,000	1,467,000
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Notwithstanding any other law to the contrary, not more than \$5,000 annually is appropriated from salary savings to be used for the payment of necessary travel expenses to and from interviews arranged by the department of public welfare, incurred by job applicants for professional, administrative, or highly technical positions recruited by the department of public welfare.

Notwithstanding any state law to the contrary, the commissioner of public welfare shall not adjust the budget standards for any categorical aid program in excess of the amount authorized by the legislature, unless federal law or regulation require such action.

The commissioner of public welfare may adopt a bloc grant system for the categorically aided recipients on or after October 1, 1973. In determining the amount for public assistance grants on or after October 1, 1973, the commissioner may effect an 18 percent increase in the food allowance.

The commissioner of public wel-

	1973	1974	1975
	\$	\$	\$

fare shall develop a specific comprehensive plan including recommendations for the future use of the state institutions. This plan shall include recommendations regarding community centers, specifically but not limited to: number, appropriate locations, types of facilities, short and long range projections, relationship to state institutions, development plans for regions, etc.

So much of the above funds as necessary can be established in a special account in the department of public welfare to pay for special costs relating to the Mental Health Commitment Act.

Funds are provided in the above appropriation for expenses incurred in distributing surplus commodities furnished by the federal government to the counties.

Subd. 3. Mechanized Payment System for the Categorical Aids

1,000,000

Provided that these funds shall be available only if separate legislation passes the 1973 legislature which authorizes the department of public welfare to develop and implement such system.

Subd. 4. Mental Health Research .....

200,000

Approved Complement—2

Subd. 5. Mental Health Training Program .....

92,800

Funds provided in subdivision 5 may be used for a psychiatric residency training program.

Of the amount appropriated by subdivision 5, \$30,000 each year may be used for the employment of additional psychia-

	1973	1974	1975
	\$	\$	\$
trists at state institutions and only such funds as are necessary shall be transferred to those institutions where the psychiatrists are employed.			
Approved Complement—0			
Subd. 6. Community Mental Health Centers .....		5,200,000	5,500,000

Any unexpended balances remaining in subdivisions 3, 4, 5 and 6 in the first year shall not cancel but shall be available for the second year of the biennium.

Notwithstanding any law to the contrary, no funds provided in this subdivision shall be used for matching that part of salaries paid above the class of persons in comparable positions in the state civil service, nor shall any funds provided in this subdivision be used for matching that part of fringe benefits which exceed the fringe benefits provided to employees in the state civil service.

The above funds provide for a 50 percent matching, except for counties affected by subdivision 11, of local community mental health centers approved expenditures. Seventy-five percent of any federal funds received as reimbursement by the commissioner of public welfare shall be used to equally reduce local and state funding and surplus state funds resulting from federal funds shall cancel to the general fund. Twenty-five percent of the federal funds may be used for program expansion.

The community mental health centers may accept cases from juvenile courts for diagnostic evaluation.

	1973	1974	1975
	\$	\$	\$
Approved Complement—4			
Subd. 7. Care and Support of Children Under Guardianship of the Commissioner of Public Welfare .....		716,000	790,000
Subd. 8. Care, Relief, and Support of Dependent Children, Aged, Blind, Disabled and the Medical Assistance to the Needy Program .....		86,600,000	97,800,000

Provided that \$4,000,000 of the funds appropriated by this subdivision shall be available only if separate legislation is passed by the 1973 legislature to provide supplemental payments in the adult categories.

Notwithstanding the provision of any other law, the commissioner of public welfare may utilize the funds, pursuant to the approval of the governor, provided in the above subdivision to pay a portion of the cost of day care and vocational training programs. The portion of the cost not paid by federal funds shall be paid equally from state and local funds. The cases selected by the commissioner for the new programs, on the average, shall not have a greater cost than if they remained in this program. The commissioner shall develop such criteria, selection principles, and other rules so as to carry out the intent of this provision.

Notwithstanding any other law to the contrary, when the expenditure made in the aid to families with dependent children program to meet special needs, as defined by the commissioner of public welfare, exceeds 3.1 percent of the total expenditure for the above program in a county, that portion

	1973	1974	1975
	\$	\$	\$
of the expenditure in excess of the above percentage not paid from federal funds shall be paid entirely by county funds.			

Notwithstanding any other law to the contrary, when the expenditure made in the aid to the blind program to meet special needs, as defined by the commissioner of public welfare, exceeds 3.2 percent of the total expenditure for the above program in a county, that portion of the expenditure in excess of the above percentage not paid from federal funds shall be paid entirely by county funds.

Notwithstanding any other law to the contrary, when the expenditure made in the old age assistance program to meet special needs, as defined by the commissioner of public welfare, exceeds 2.1 percent of the total expenditure for the above program in a county, that portion of the expenditure in excess of the above percentage not paid from federal funds shall be paid entirely by county funds.

Notwithstanding any other law to the contrary, when the expenditure made in the aid to the disabled program to meet special needs, as defined by the commissioner of public welfare, exceeds 1.8 percent of the total expenditure for the above program in a county, that portion of the expenditure in excess of the above percentage not paid from federal funds shall be paid entirely by county funds.

Provided that the amount appropriated for implementation of Minnesota Statutes 245.0313 shall be available only if matched by federal funds. Provided that if the cost of care in state

	1973	1974	1975
	\$	\$	\$

institutions falls below the projections used for implementation of Minnesota Statutes 245.0313, any excess appropriation shall revert to the general fund.

The department of public welfare may promulgate rules and regulations, not inconsistent with federal law or regulation, allowing recipients of medical services to be charged a specified minimum amount toward cost of medical services provided. An amount sufficient to meet anticipated needs for this purpose shall be included as part of the recipient's public assistance grant.

Subd. 9. Administrative Expense on Aging . . . . .	125,000	125,000
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Provided that the funds appropriated by this subdivision may not be expended unless matched by federal funds.

Subd. 10. Vocational Rehabilitation of the Blind . . . . .	210,000	212,885
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The sum of \$2,500 each year out of the amount above appropriated shall be paid into the revolving fund established by Laws 1947, Chapter 535, for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into said fund, and all equipment, supplies and expenses for the setting up of such stands to be so operated, shall be paid from said fund.

Subd. 11. Equalize the Cost of Welfare . . . . .	1,175,000	1,275,000
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All payments from funds appropriated by this subdivision

	1973	1974	1975
\$	\$	\$	\$

shall be based upon a formula which includes four factors:

recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare as indicated in the work sheets of the conference committee which also specify the number of counties that may receive this aid.

Salary expenditures shall not be included for purposes of computing county per capita welfare costs or in county welfare costs.

Notwithstanding any law to the contrary, initial payments to counties shall be made on or before October 1, 1973, for fiscal year 1974 and on or before October 1, 1974, for fiscal year 1975. Final payments shall be made before October 1 of the following fiscal year.

For the purposes of this act, Welfare costs shall be deemed to include all forms of public assistance and the administrative costs thereof, to-wit: old age assistance, medical assistance to the needy, aid to dependent children, aid to the permanently and totally disabled, aid to the blind, payments to the commissioner of public welfare for care and treatment of patients in state institutions, maintenance relief, medical relief, tuberculosis sanatoria care, hospital charges, maintenance of children not under state guardianship, cost of sundry poor, and all administrative costs except university hospitals care, care of children under state guardianships, and poor burials.

No county shall be entitled to the benefits of this act if it has

	1973	1974	1975
	\$	\$	\$
transferred any moneys available for welfare purposes to any other county funds, except that a transfer of a surplus in the welfare fund may be made to the road and bridge fund of said county, and except that where funds are otherwise unavailable, a transfer may also be made to the general revenue fund of said county for payment of rent of office space for the county welfare board. Such transfers shall be made only with the approval of the governor after consultation with the Minnesota public relief advisory committee. Provided further that such transfer of funds for payment for rent shall not be considered an expenditure for equalization aid reimbursement. Any federal funds received in lieu of taxes because of federal grants shall be available for welfare purposes.			
Provided that no county shall receive in excess of 75 percent of its cost of welfare as defined in this subdivision from state funds.			
Notwithstanding any law to the contrary, the formula used in this subdivision for equalizing welfare costs shall be used for computing distressed county aid for daytime activity centers and community mental health centers.			
Subd. 12. Daytime Activity Centers for the Mentally Retarded .....		1,503,000	1,503,000
Approved Complement—1			
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.			



	1973	1974	1975
	\$	\$	\$
<p>The above funds provide for a 60 percent matching, except for counties affected by subdivision 11, of local daytime activity centers approved expenditures. Seventy-five percent of any federal funds received as reimbursement by the commissioner of public welfare shall be used to equally reduce local and state funding and surplus state funds resulting from federal funds shall cancel to the general fund. Twenty-five percent of the federal funds may be used for program expansion.</p>			
Subd. 13. Crippled Children Services .....		600,000	700,000
Subd. 14. Aid to Counties—Mentally Retarded .....		1,330,400	1,466,500
<p>Any unexpended balance remaining in subdivisions 13 and 14 in the first year shall not cancel but shall be available for the second year of the biennium.</p>			
Subd. 15. Red Lake Band of Chippewa Indians .....		130,000	130,000
Subd. 16. General Relief—Indians .....		503,850	554,175
<p>Provided further that reimbursements shall be prorated if the appropriation made in this subdivision is insufficient to provide full reimbursement.</p>			
Subd. 17. Foster Grandparents Program .....		200,000	200,000
Subd. 18. Aid to Counties—Emotionally Disturbed .....		572,750	628,200
<p>Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.</p>			
Subd. 19. Child Care Service Grants .....		125,000	125,000

	1973	1974	1975
	\$	\$	\$
Subd. 20. State Hospitals			
(a) Current Expense . . . . .		7,296,857	7,230,179

The above appropriation includes funds to provide temporary laundry service for Rice memorial hospital at a charge to be determined by the commissioner of public welfare.

Provided that laundry service shall be furnished without charge to the Willow River camp.

Provided that laundry service at Hastings state hospital shall be provided for the prison and the Minnesota reception and diagnostic center after the necessary transfer of positions from the department of corrections has been accomplished. Such transfer shall be accomplished not later than June 30, 1974. If the Hastings state hospital is closed, such services shall be contracted with a private concern.

Notwithstanding any law to the contrary, the commissioner of public welfare may authorize any state hospital to enter into agreement with other governmental and non-profit health service organizations for participation in "shared service" agreements which would be of mutual benefit to the state, the health service organizations involved and the public. The charges for such services shall be on an actual cost basis and the receipts shall be deposited in the general fund.

(b) Salaries . . . . .	47,050,000	46,450,000
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Approved Complement—FY  
1973—5,410  
by June 30, 1974—5,310  
by June 30, 1975—5,210

	1973	1974	1975
	\$	\$	\$

Notwithstanding any law to the contrary, the approved complement is effective the day following enactment of this act.

Provided that the commissioner of public welfare shall maintain as high a patient-care staff to patient ratio as possible.

Not more than 25 percent of the salary savings occurring as a result of efficiencies in operations may be used for supplies and expense expenditures upon the advance approval of the commissioner of administration.

(c) Special Equipment . . . . .	451,420	
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Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

The commissioner of public welfare shall submit the budgets for the hospitals to the 1975 legislature on an individual hospital basis in addition to a consolidated budget which includes all of the state hospitals.

Funds are provided in the above appropriation for developing a self-injurious behavior program at the Faribault state hospital. Information obtained from other states shall be used in developing this program.

The hospitals enumerated by this subdivision are hereby granted authority to negotiate with sheltered workshops to provide services to the hospitals, provided salary savings are used to pay these costs.

Subd. 21. Braille and Sight Saving School

(a) Current Expense . . . . .	60,110	61,320
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	1973	1974	1975
\$	\$	\$	
(b) Salaries .....		632,089	622,089
Approved Complement—73			
(c) Regional Library for the Blind .....		66,425	65,825
Approved Complement—6.5			
Subd. 22. School for the Deaf			
(a) Current Expense .....		171,310	171,310
(b) Salaries .....		1,364,332	1,354,332
Approved Complement—150.5			
As soon as feasible, the business office of the braille and sight saving school shall be combined with that of the school for the deaf and the complement reduced accordingly.			
(c) Gallaudet Students .....		800	800
Subd. 23. Gillette State Hospital .....			
(a) Current Expense .....		342,000	362,000
(b) Salaries .....		2,148,991	2,148,991
Approved Complement—245.16			
(c) Honorarium for Visiting Staff .....		78,300	78,300
Subd. 24. Ah-Gwah-Ching Nursing Home			
(a) Current Expense .....		402,600	402,600
(b) Salaries .....		2,087,687	2,087,687
Approved Complement—271			
Subd. 25. Glen Lake State Sanatorium and Oak Terrace Nursing Home			
(a) Current Expense .....		451,705	452,905
(b) Salaries .....		2,506,431	2,506,431
Approved Complement—297			
(c) Central Library Service ..		11,982	11,982
Subd. 26. Special Equipment for the Braille and Sight Saving			

	1973	1974	1975
	\$	\$	\$
School, School for the Deaf, Gillette State Hospital, Ah- Gwah-Ching Nursing Home, and Glen Lake State Sanatori- um and Oak Terrace Nursing Home .....		122,264	

Any unexpended balance re-  
maining in the first year shall  
not cancel but shall be avail-  
able for the second year of the  
biennium.

### Sec. 3. TO THE COMMIS- SIONER OF CORRECTIONS

#### Subdivision 1. Administration

(a) Salaries, supplies and ex-  
pense .....

3,325,858 3,317,863

#### Approved Complement—245

The commissioner of correc-  
tions is authorized to establish  
a select committee of 15 to 20  
members whose purpose will be  
to review the roles of all Min-  
nesota correctional institutions  
and determine which of these  
institutions should be retained.  
The commissioner of correc-  
tions is authorized to appoint  
to this select committee mem-  
bers of the legislature, law en-  
forcement and private citizens  
or citizen's groups.

The commissioner of correc-  
tions is hereby authorized to  
pay members of the select com-  
mittee \$25 per diem plus travel  
expenses pursuant to rules and  
regulations promulgated by the  
commissioner of administration  
and to pay publication ex-  
penses for the committee's re-  
port. Said report will be sub-  
mitted to the Minnesota legis-  
lature by January 2, 1974.

This appropriation includes  
funds for the operation of the  
transportation unit.

	1973	1974	1975
	\$	\$	\$
No new program may be implemented unless a statistical evaluation of its objectives and accomplishments accompanies the development of such program.			
Provided that the parole agents shall reside in the various districts of the state in which they are employed during the period for which this appropriation is effective.			
This appropriation includes personnel and funds for the expenses of providing supervision for county homes.			
Provided that regional supervisors paid from this account may also supervise state parole agents as directed by the commissioner of corrections. Such duties shall not interfere with the supervisor's responsibility under the County Probation Act, Laws 1959, Chapter 698.			
(b) County Reimbursement. .		700,000	750,000
Provided further that reimbursement to counties as provided by Minnesota Statutes 260.311, Subdivision 5, shall be computed on the basis of 50 percent of the probation officers salary costs only, including fringe benefits, however that part of fringe benefits in excess of those provided for state civil service employees shall not be reimbursable.			
Notwithstanding any law to the contrary, no county shall be eligible for the reimbursement aforementioned unless its county probation officers are paid a salary commensurate with the salaries paid to comparable positions in the classified service of the state civil			

	1973	1974	1975
	\$	\$	\$

service. The salary range to which the county probation officers shall be assigned shall be determined by the judge(s) of the juvenile court(s) who shall base the decision on length and performance of service of said officer(s). The judges of the juvenile courts shall annually assign their county probation officer(s) to a position on the aforementioned salary scale commensurate with the officer's experience, tenure, and responsibilities and said judges shall file with the county auditor an order setting said county probation officer's salary.

Provided that time spent by the county probation officer as a court referee shall not qualify for reimbursement from this appropriation.

Provided further that reimbursement to counties shall be prorated if the appropriation made in this item is insufficient to pay the cost as provided by Minnesota Statutes 260.311, Subdivision 5.

Subd. 2. Corrections Subsidy Act .....

1,500,000

The commissioner of corrections shall select the counties which may participate under the Corrections Subsidy Act after consulting with the appropriate finance committees of the legislature. These funds shall not be expended unless separate legislation is passed by the 1973 legislature authorizing such expenditure.

Subd. 3. Medical and Psychiatric Services .....

1,500,000

The amount appropriated by this item shall be used for psychiatric services and to cover

	1973	1974	1975
	\$	\$	\$

the expense of hospital care for inmates and persons furnished in hospitals not under supervision of the commissioner of corrections. All reimbursements received for such medical services shall be credited to this account and become a part thereof.

Prior to the expenditure of this appropriation, the commissioner of corrections shall study all feasible non-metro hospitals, in addition to those already studied, to find the lowest cost alternative.

The commissioner of corrections may contract with any other state department or agency to obtain psychiatric services for the department of corrections. This appropriation is in addition to funds for psychiatric services provided in the appropriations for the individual institutions.

#### Approved Complement—13

Subd. 4. Personnel Training . .	497,120
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This appropriation includes funds for training of group home parents in county homes.

Subd. 5. Vocational Training .	140,000
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The amount appropriated by this item shall be used for the purpose of providing vocational training of the inmates of institutions under the control of the commissioner of corrections. The commissioner of corrections is hereby authorized and empowered to employ skilled craftsmen to conduct a vocational training program and to instruct such inmates.

Subd. 6. Foster Group Care . .	1,000,000
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The amount appropriated by



	1973	1974	1975
\$	\$	\$	

this item shall be used for foster group care facilities under the commissioner of corrections and to reimburse counties pursuant to Minnesota Statutes 1971, Section 260.251, Subdivision 1a, provided, however, that such reimbursement to counties shall be prorated if the appropriation is insufficient.

The amounts reimbursed to the counties shall be based upon 50 percent of cost to the counties after federal and state aids, grants or relief programs have been deducted from the costs of said group home operations.

Subd. 7. Work Release Program .....	250,000
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Subd. 8. Community Corrections Centers .....	425,000
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This appropriation includes \$50,000 for community corrections centers on Indian reservations. Rules and regulations shall be developed by the commission of corrections for operation of such programs.

Any unexpended balances in subdivisions 1b, 2, 3, 4, 5, 6, 7 and 8 remaining in the first year shall not cancel but shall be available for the second year of the biennium.

Subd. 9. Correctional Institutions

This appropriation is for the Minnesota state prison, reformatory for men, Minnesota correctional institution for women, state training school for boys, Minnesota home school, Willow River forestry camp, and the Minnesota reception and diagnostic center and Thistledew camp.

	1973	1974	1975
	\$	\$	\$
(a) Current Expense . . . . .		2,541,861	2,547,843
(b) Salaries . . . . .		12,731,329	12,712,549
Approved Complement—1,138.75			
(c) Special Equipment . . . . .		175,000	

The commissioner of corrections shall transfer positions, when necessary, between institutions to improve programs.

The academic school program at the state training school for boys and the Minnesota home school shall be conducted on a 12 month basis.

Provided that the appropriate committees on finance of the legislature shall receive a written report of the anticipated expenditures from the prison revolving fund for recreational or vocational equipment not less than 30 days prior to expenditure.

A portion of the reception and diagnostic center may be used for intensive treatment of persons committed to the youth conservation commission. The commissioner may set aside suitable space at other institutions under his control to be used by the youth conservation commission as an annex to the reception and diagnostic center. Provided the youthful offender reception center shall be at the reformatory for men until June 30, 1975.

Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

Subd. 10. Regional Jails, Area Lock-ups, and Detention Centers . . . . .

457,000

	1973	1974	1975
\$	\$	\$	

It is the intention of the legislature that this shall be a final and non-recurring appropriation.

Of the sum of \$800,000 appropriated from the general fund by Laws 1971, Chapter 961, Section 3, Subdivision 12, for regional jails, area lock-ups, and detention centers, the sum of \$381,206 is hereby reappropriated to the commissioner of corrections for the purposes of Laws 1971, Chapter 961, Section 3, Subdivision 12.

Subd. 11. Special Projects. . . .	50,000	
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This appropriation is intended as the state match for applications for federal grants.

The state auditor is hereby directed to establish whatever accounts the department of corrections deems necessary to expend the funds provided by this subdivision.

Any unexpended balances in subdivisions 10 and 11 remaining in the first year shall not cancel but shall be available for the second year of the biennium.

#### Sec. 4. BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS

(a) Salaries, supplies and expense . . . . .	54,576	54,896
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Provided that after July 1, 1974, the commissioner of administration shall not permit the allotment and encumbrance of any funds in excess of the anticipated revenues.

#### Sec. 5. COMMISSION ON ALCOHOL PROBLEMS

(a) Salaries, supplies and expense . . . . .	65,222	65,022
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	1973	1974	1975
	\$	\$	\$

## Sec. 6. BOARD OF HEALTH

### Subdivision 1. Administration

(a) Salaries . . . . .		2,592,122	2,606,972
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#### Approved Complement—247

Of the amounts provided by this item, \$61,458 for the first year and \$61,458 for the second year are appropriated from the trunk highway fund for highway safety activities and preventive health services for state employees.

(b) Supplies and Expense . . . .		636,553	652,301
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Of the amounts provided by this item, \$26,972 for the first year and \$23,362 for the second year are appropriated from the trunk highway fund for highway safety activities and preventive health services for state employees.

Funds are provided in the above appropriation for expenses of the sanitarian advisory council and for the registration and inspection of x-ray and radium sources of ionizing radiations if separate legislation passes during the 1973 session which authorizes such.

All receipts received from the national office of vital statistics for microfilm transcripts of vital statistics records shall be deposited in and for the benefit of the general fund.

### Subd. 2. Mobile Health Clinic

(a) Salaries, supplies and expense . . . . .		38,857	39,457
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Sec. 7. CONTINGENT FOR PUBLIC WELFARE . . . . .		1,000,000	
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The amount appropriated by this item or so much thereof as may be necessary, is to be used

	1973	1974	1975
	\$	\$	\$

for programs which help diminish the population of the state welfare institutions. After July 1, 1974, no expenditure of these funds shall be made unless equally matched by local funds. The expenditure of said contingent shall be under the control of the legislative advisory committee and no expenditure shall be made therefrom without the direction of the governor after consultation with the legislative advisory committee and the appropriate finance committees of the legislature.

Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

#### Sec. 8. CONTINGENT FOR STATE INSTITUTIONS . . . .

500,000

The amount appropriated by this item or so much thereof as may be necessary, is to be used for emergency purposes, and for the purchase of food, clothing, drugs, and fuel for any of the institutions or work camps for which an appropriation is herein made. The expenditure of said contingent shall be under the control of the legislative advisory committee and no expenditure shall be made therefrom without the direction of the governor after consultation with the legislative advisory committee.

Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

Provided that the allowance for food may be adjusted annually

	1973	1974	1975
	\$	\$	\$

according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Such adjustments shall be based on the July, 1973, wholesale food price index, but such adjustment shall be prorated if the wholesale food price index adjustment would require funds in excess of this appropriation.

**Sec. 9. EMPLOYEES COMPENSATION** ..... 738,068.78

To be transferred by the state auditor to the department of labor and industry, compensation revolving fund, in payment of obligations incurred by the following state agencies in the amount as indicated:

Public Welfare	\$621,554.03
Corrections	\$116,514.65

**Sec. 10. UNEMPLOYMENT COMPENSATION** ..... 39,548.67

To unemployment compensation fund in reimbursement of unemployment compensation benefits paid for former employees of the following:

Department of Corrections	\$ 39,548.67
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**Sec. 11. CERTAIN FUNDS USED FOR CERTAIN PURPOSES.** Upon the approval of the commissioner of public welfare or the commissioner of corrections as to the institutions under their respective control, the superintendent of any such institution for which an appropriation is made herein may pay out of the current expense appropriation of said institution to any employee thereof, the amount of any property damage sustained by such employee, not in excess of \$250 by reason, or as a result of action of any patient or inmate of such institution.

Except at the state prison and state reformatory, profits accrued by reason of operation of diversified labor accounts may be used at the direction of the superintendent of the institution for the purchase of occupational therapy equipment.

**Sec. 12. APPROVED COMPLEMENT.** Except as otherwise provided herein, whenever an appropriation to any institution or agency for salaries discloses an approved complement, the institution or agency is limited in the employment of the number of full-

time equivalent persons indicated by such approved complement. Such approved complement, however, does not include employees engaged in repair or construction projects who may be employed only with the advance approval of the commissioner of administration.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve such additional personnel until he has consulted with the legislative advisory committee. Any requests for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory committee meeting. The provisions hereof shall extend to any other agency to which the present authority of the legislative advisory committee may be transferred.

**Sec. 13. CERTAIN EMPLOYEES.** Provided that none of the moneys appropriated by this act or any other law shall be used to employ maids or personnel with similar domestic duties to work in the residences of any officer or employee of any institution, department, or agency of the state. But this provision shall not apply to such persons who pay a fixed monthly fee for board and room and laundry and who obtain their meals from state operated dining rooms.

**Sec. 14. RECEIPTS.** All funds, sums of moneys, or other resources provided or to be received, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belong to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be credited to and become a part of the appropriations provided for in section 2, subdivisions 1, 7, 8, 9, 10 and 11.

All receipts of said institutions and activities carried on under the direction of said commissioners of public welfare and corrections shall be deposited in and for the benefit of the general fund, provided, however, that this shall not apply to revolving funds now established in institutions under the control of said commissioner; and provided further that this shall not apply to receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates; and provided further that this shall not apply to money received in payment for services of inmate labor employed in the industries carried on in the state reformatory for men, state reformatory for women, and state prison, which receipts shall be credited to the current expense fund of said institutions.

**Sec. 15. COMMISSARY AND QUARTER ALLOWANCE.** No commissary privileges, including food, laundry service, and household supplies, shall be furnished to any person in staff residences or apartments from appropriations made by this act. Youth camp superintendents may be furnished quarters without cost.

For superintendents of youth camps, the commissioner of corrections is authorized to grant an allowance of not to exceed \$75 per month in lieu of free quarters.

Quarters and a stipend allowance of not to exceed \$150 per month may be authorized by the commissioner of welfare for medical students and physician fellows.

The commissioners of corrections and public welfare are authorized to pay out of salary appropriations for the various institutions, to physicians employed in institutions, an allowance of not to exceed \$150 per month, in lieu of free quarters on the grounds, providing such suitable quarters are not available. It is the intent of the legislature that the department of public welfare and the department of corrections shall regress from providing free housing, as soon as feasible, except for temporary quarters.

Notwithstanding any provision in Minnesota Statutes, Section 246.02, to the contrary, maintenance including food, laundry service, and household supplies shall not be furnished to any officer including, but not limited to, the chief executive officers of the state prison and reformatories.

Sec. 16. PROVISIONS. Moneys appropriated under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. The amounts appropriated for provisions are shown on the worksheets of the conferences of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of administration. Any money so provided and not used for purchase of provisions shall be cancelled into the fund from which appropriated. Except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies after consultation with the legislative advisory committee, whose opinion shall be advisory only.

Sec. 17. FEDERAL GRANTS. Grants in aid now or hereafter received from the federal government for any welfare, assistance or relief program or for administration under the jurisdiction of the department of public welfare shall, in the first instance, be credited to a federal grant fund and shall be transferred therefrom to the credit of the commissioner of public welfare in the appropriate account upon certification of the commissioner of public welfare that the amounts so requested to be transferred have been earned or are required for the purposes and programs intended. Moneys received by such federal grant fund need not be budgeted as such, provided transfers from such fund are budgeted for allotment purposes in the appropriate appropriations.

The department of public welfare is authorized and directed to negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants or aids. Any grants or aids thus secured or received are hereby appropriated to said department of public welfare and made available for the uses and purposes for which it was



received but shall be used to reduce the appropriations herein before provided unless federal law prohibits such action or unless the commissioner of public welfare obtains approval of the governor who shall seek the advice of the legislative advisory committee.

Grants now or hereafter received from the federal government for any vocational training program or for administration under the jurisdiction of the department of corrections shall, in the first instance, be credited to a federal grant fund and shall be transferred therefrom to the credit of the commissioner of corrections in the appropriate account upon certification of the commissioner of corrections that the amounts so requested to be transferred have been earned or are required for the purposes and program intended. Moneys received by such federal grant fund need not be budgeted as such provided transfers from such fund are budgeted for allotment purposes in the appropriate appropriation.

**Sec. 18. BUDGETARY CONTROL.** The budgetary control as provided in Laws 1939, Chapter 431, shall extend to and apply to all appropriations herein made available for the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975.

All state departments, bureaus, agencies or divisions, operating under Laws 1939, Chapter 431, financed by funds appropriated or receipts or fees of any nature whatsoever, when making requests or preparing budgets to be submitted to the federal government in support of or in request of funds, equipment, materials, or services, from the federal government shall, upon completion of such request or budget, first submit it to the commissioner of administration. The commissioner of administration shall have authority to approve, disapprove, modify, or amend any such request or budget before submitting it to the proper federal authority. When such federal authority has approved such request or budget, the state agency shall resubmit it to the commissioner of administration for recording before any allotment or encumbrance of the federal funds can be made.

**Sec. 19. UNOBLIGATED BALANCES.** The unobligated balances on hand as of June 30, 1973, June 30, 1974, and June 30, 1975, in the several appropriations and accounts for which an appropriation is herein made out of the general fund, or has heretofore been made, are hereby cancelled into the general fund as of June 30, 1973, June 30, 1974, and June 30, 1975, and the unobligated balances on hand as of June 30, 1973, June 30, 1974, and June 30, 1975, appropriated out of any other funds, shall be cancelled into the fund from which they are appropriated as of June 30, 1973, June 30, 1974, and June 30, 1975.

The provisions of this section shall not apply to aid, contributions, or reimbursements received from the federal government by the state or boxing tax receipts transferred to the department of public welfare by the authority of Laws 1945, Chapter 245, and all such federal aid, contributions or reimbursements, and boxing tax receipts are hereby reappropriated for the purpose of

supplementing the appropriation herein provided and shall be added to the maximums of the several accounts herein designated.

**Sec. 20. TRANSFER OF FUNDS.** (a) The commissioner of public welfare by direction of the governor after consulting with the legislative advisory committee may transfer unobligated appropriation balances between the various accounts appropriated under section 2, subdivisions 7, 8 and 10, and also between the various accounts appropriated under section 2, subdivisions 6, 12, 14, 18, 20a and 20b. Provided further that if the appropriation under section 2, subdivision 8, should be insufficient for either year, then the appropriation for the other year shall be available therefor by direction of the governor after consulting with the legislative advisory committee.

(b) Unless the 1973 legislature enacts legislation to the contrary, authority is hereby granted to the commissioner of corrections to transfer appropriations between all subdivisions of section 3, except for subdivision 1a in the best interest of the security and rehabilitation programs and for more efficient utilization of personnel and facilities. Of the appropriation provided by section 3, subdivision 1a, funds may be transferred from this appropriation to other appropriations in section 3, but in no case may transfers from the other appropriations in section 3 be made to section 3, subdivision 1a. Such transfers shall be made with the written approval of the governor after consulting with the legislative advisory committee.

**Sec. 21. TRANSFER OF PERSONNEL.** (a) Notwithstanding any other law to the contrary, the commissioner of public welfare shall transfer authorized positions between institutions under his control in order to properly staff the institutions, taking into account the differences between programs in each institution.

(b) Notwithstanding any other law to the contrary, the commissioner of corrections may transfer authorized positions between programs subject to the restrictions imposed by section 20b.

**Sec. 22. COMPULSORY RETIREMENT EXCLUSION.** Notwithstanding any provision of laws to the contrary, a physician in the classified or unclassified state service may during this biennium, upon reaching the age of 70 years continue to be employed in the department of health subject to annual certification by the state board of health.

**Sec. 23.** Every group or individual policy of accident and sickness insurance issued or renewed after the effective date of this section regulated by Minnesota Statutes, Chapter 62A, and every group or individual service plan or subscriber contract issued or renewed after the effective date of this section regulated by Minnesota Statutes, Chapter 62C, provided care or payment for care in this state, shall provide payments for services rendered by a hospital or medical facility owned or operated by, or on behalf of, the state or any unit of local government, or practitioners therein, on the same basis as are made for like

care in other facilities. The unit of government concerned may maintain an action for recovery of such payments.

## ARTICLE II

**Section 1. [GENERAL ASSISTANCE ACT; DECLARATION OF POLICY; CITATION.]** *Subdivision 1. The objectives of sections 1 to 30 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; to provide property tax relief; and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.*

*It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law, who meet the eligibility requirements of this act and do not refuse suitable employment, shall be entitled to receive such grants of general assistance and such services as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.*

*A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain self-care. To achieve this aim, the commissioner shall establish minimum standards of assistance for general assistance. The standard for cash payments to recipients shall be, as to shelter, 100 percent, and as to other budgetary items, 50 percent, of those established for the federally aided assistance programs; provided, however, that no general assistance payment shall exceed an amount, which when computed for the time period for which it is made, exceeds the equivalent on a weekly basis of 40 times the hourly federal minimum wage prevailing when the payment is made; and provided further that persons receiving general relief on the effective date of this act shall continue to be eligible therefor. In order to maximize the use of federal funds, the commissioner shall promulgate regulations, to the extent permitted by federal law for eligibility for the emergency assistance program, under the terms of this act for general assistance. The commissioner shall provide by regulation for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. The strengthening and preservation of the family unit shall be a principal consideration in the administration of this act and all general assistance policies shall be formulated and administered so as to further this objective.*

*Subd. 2. Sections 1 to 30 may be cited as the general assistance act.*

**Sec. 2. [DEFINITIONS.]** *Subdivision 1. The terms defined in this section shall have the meanings given them unless otherwise provided or indicated by the context.*

*Subd. 2. "Commissioner" means the commissioner of public welfare or his designee.*

*Subd. 3. "Department" means the department of public welfare.*

Subd. 4. "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, medical, dental, hospitalization, nursing care, drugs, or medical supplies. It is the intent of this act that these items be provided by local agencies in accordance with programs in effect at the time of the passage of this act. Vendor payments may be made only as provided for in sections 9 and 11.

Subd. 5. "Family" means two or more individuals who are related by blood, marriage or adoption, who are living in a place or residence maintained by one or more of them as his or their own home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals.

Subd. 6. "Child" means an individual who is under the age of 18, or under the age of 19 and a student regularly attending a school, college, or university or a course of vocational or technical training designed to prepare him for gainful employment.

Subd. 7. "Childless couple" means two individuals who are related by marriage and who are living in a place of residence maintained by them as their own home.

Subd. 8. "Income" means earned and unearned income reduced by amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

Subd. 9. "Earned income" means remuneration for services performed as an employee, and net earnings from self-employment.

Subd. 10. "Unearned income" means all other income including any payments received as an annuity, retirement or disability benefit, including veteran's or workmen's compensation; old age, survivors and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or family assistance program; rents, dividends, interest and royalties; and support and alimony payments except that such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another family member.

Subd. 11. "State aid" means state aid to local agencies for general assistance expenditures as provided for in this act.

Subd. 12. "Local agency" means the county welfare boards in the several counties of the state except that it may also include any multicounty welfare boards or departments where those have been established in accordance with law.

Sec. 3. [RESPONSIBILITY TO PROVIDE GENERAL ASSISTANCE.] Subdivision 1. Every local agency shall provide gen-

*eral assistance to persons residing within its jurisdiction who meet the need requirements of this act. General assistance shall be administered according to law and rules and regulations promulgated by the commissioner pursuant to the provisions of this act.*

*Subd. 2. State aid shall be paid to local agencies for 50 percent of all general assistance grants up to the standards of section 1, subdivision 1, according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance at a standard higher than that established by the commissioner, without reference to the standards of section 1, subdivision 1.*

**Sec. 4. [DUTIES OF THE COMMISSIONER.]** *In addition to any other duties imposed by law, the commissioner shall:*

*(1) Supervise the administration of general assistance by local agencies as provided in this act;*

*(2) Promulgate uniform rules and regulations consistent with law for carrying out and enforcing the provisions of this act to the end that general assistance may be administered as uniformly as possible throughout the state; rules and regulations shall be furnished immediately to all local agencies and other interested persons; in promulgating rules and regulations, the provisions of Minnesota Statutes, Chapter 15, shall apply;*

*(3) Allocate moneys appropriated for general assistance to local agencies as provided in this act;*

*(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance;*

*(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under this act;*

*(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;*

*(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public;*

*(8) Report at least annually to the governor and legislature the cost of living in the various counties and metropolitan areas as related to the standards of assistance and the amounts expended for assistance, and make this information available to the public.*

**Sec. 5. [ELIGIBILITY FOR GENERAL ASSISTANCE.]** *Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for an entitled to general assistance; provided that no individual shall be eligible for general assistance if he is eligible for any of the following federally aided assistance programs: emer-*

gency assistance, aid to families with dependent children, supplemental security income for the aged, blind, or disabled; or any successor to the above.

**Sec. 6. [AMOUNT OF ASSISTANCE.]** *Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance.*

*Subd. 2. Notwithstanding the provisions of subdivision 1 of this section, a grant of general assistance may be made to an eligible individual or family for one or more items encompassed within the definition of general assistance where the applicant or recipient requests temporary assistance not exceeding 30 days and an emergency situation appears to exist if the individual is ineligible for the federally aided program of emergency assistance.*

**Sec. 7. [TIME OF PAYMENT OF ASSISTANCE.]** *An applicant for general assistance shall be deemed presumptively eligible if his sworn application on its face demonstrates that he is within the eligibility criteria established by this act and any applicable rules and regulations of the commissioner. General assistance shall be immediately granted to such presumptively eligible applicant without the necessity of first securing action by the board of the local agency.*

*If upon verification and due investigation it appears that the applicant swore falsely and such false information materially affected his eligibility for general assistance or the amount of his general assistance grant, the local agency shall refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.*

**Sec. 8. [EXCLUSION FROM RESOURCES.]** *Subdivision 1. In determining eligibility of a family or individual there shall be excluded the following resources:*

*(1) Property which does not exceed that permitted under the federally aided assistance program known as aid to families with dependent children; provided, however, that the commissioner may provide by rule and regulation more restrictive eligibility standards and levels of payment for general assistance if it is determined that funds available are not adequate to meet projected need; and*

*(2) Other property, including real or personal property used as a home, which has been determined, in accordance with and subject to limitations contained in rules and regulations promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule and regulation for those situations in which property may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family.*

*Subd. 2. Notwithstanding any other provision of this act, the commissioner shall provide by rule and regulation for the exclusion of property from the determination of eligibility for general assistance when it appears likely that the need for general assistance will not exceed 30 days and an undue hardship would be imposed on an individual or family by the forced disposal of such property.*

**Sec. 9. [FORM OF PAYMENT; VENDOR PAYMENTS.]** *Subdivision 1. All grants of general assistance shall be paid in cash and with such frequency as the commissioner shall determine. The commissioner may provide by rule and regulation for the making of general assistance payments in different time periods for various reasonable classifications of recipients.*

*Subd. 2. Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule and regulation for situations in which vendor payments may be made by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.*

**Sec. 10. [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]** *No grant of general assistance except one made pursuant to section 6, subdivision 2 or section 8, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency.*

*Nothing herein shall deprive a recipient of his right to full administrative and judicial review of an order or determination of a local agency as provided for in section 12 subsequent to any action taken by a local agency after a prior hearing.*

**Sec. 11. [WORK INCENTIVE AND REGISTRATION.]** *Subdivision 1. Every person who is a recipient of general assistance and not employed shall be required, unless exempt by subdivision 6, to register with the state employment service of the department of manpower services and the local agency and accept any suitable employment that is offered him.*

*Subd. 2. The local agency shall provide a general assistance work program for persons who qualify for assistance but who are unable to gain employment through the state employment service of the department of manpower services. Local agencies shall adopt a list of work priorities to be met through the employment of eligible recipients when such recipients are unable to gain employment through the state employment service or through their own initiative. The local agency may assign the recipient such work as he is able to perform but which is not that ordinarily performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.*

*Subd. 3. General assistance work program recipients shall be paid at the same wage rates as county employees doing similar work, and the number of hours of work assigned to a recipient*

shall be determined by the needs of himself and his family including expenses incidental to his employment.

Subd. 4. A local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, for the services of general assistance work program recipients on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency.

Subd. 5. General assistance work program recipients are employees of the local agencies within the meaning of workmen's compensation laws, but not retirement or civil service laws.

Subd. 6. No person shall be required to register with the commissioner or state employment service if he is:

(1) A person with illness, incapacity, or advanced age;

(2) A child attending a school or college full time;

(3) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;

(4) A person who has been referred to or applied for a work training, work experience, vocational rehabilitation or other such similar program; provided that the period of time such person is exempted from the registration requirements of subdivision 1, while awaiting acceptance into such program, does not exceed 30 days; or

(5) An adult member of a household with children in which another adult is employed full time or has registered with the state employment service or been accepted in a work training program.

Subd. 7. Any person who objects to being required to register with the commissioner or state employment service, shall be entitled to a prior hearing in accord with the provisions of section 10 on the issue of whether such person comes within the exemptions contained in subdivision 4, clause (1), (2), (3), or (4).

Subd. 8. (1) Any person who refuses to accept suitable employment when offered him shall lose his eligibility for general assistance and, if a member of a family receiving general assistance, that portion of the grant attributable to said person shall not be paid.

The commissioner may further provide by rule and regulation that vendor payments may be made with respect to any family in which a person who is obligated to accept suitable employment has refused to do so.

(2) The provisions of section 10 providing for notice and opportunity to be heard prior to a decision to reduce, suspend or terminate benefits shall be applicable to determinations made under clause (1) of this subdivision.

Subd. 9. The commissioner shall establish procedures to insure that any recipient of general assistance desiring to improve his



ability to support himself and his family shall be promptly referred to the department of manpower services or any other agency, public or private, operating a work training, work experience, vocational rehabilitation or other similar program.

**Sec. 12. [ADMINISTRATIVE AND JUDICIAL REVIEW.]**  
**Subdivision 1.** Any applicant or recipient aggrieved by any order or determination of a local agency may appeal from such order or determination to the commissioner of public welfare. The aggrieved applicant or recipient shall file with the local agency a notice of appeal within 30 days of the receipt by him of the order or determination of the local agency, provided that the order or determination is in writing and contains a statement advising the applicant or recipient of his right to appeal and the procedures for perfecting same.

If the order or determination of the local agency is not in writing or does not contain the appeal procedure statement referred to above, the 30-day period shall not be tolled until the applicant or recipient is properly notified in accordance with the provisions of this subdivision.

Notwithstanding the absence of proper notice or order or determination, the applicant or recipient may appeal to the commissioner by filing with the local agency any writing which states with reasonable clarity his dissatisfaction with or desire to obtain review of the determination or order of the local agency.

**Subd. 2.** Upon receipt the local agency shall immediately forward the notice of appeal to the commissioner. Within 30 days of the receipt of the notice of appeal, the commissioner shall provide the applicant or recipient with the opportunity for a hearing before the commissioner or his legal representative. The local agency shall be a party to the proceeding before the commissioner.

**Subd. 3.** The commissioner may, upon his own motion, review any decision made by a local agency and may make such additional investigation as he deems necessary.

**Subd. 4.** Within 30 days from the date of the hearing before the commissioner or his legal representative, a decision in writing making findings of fact and conclusions of law shall be rendered.

**Subd. 5.** Any applicant or recipient aggrieved by the determination by the commissioner may, within 30 days after notice of such decision is mailed, appeal from the decision or determination of the commissioner to the district court of the county in which the application was filed by serving a written notice of such appeal upon the commissioner and all other parties to the administrative hearing and by filing the original of such notice together with proof of service with the clerk of the district court of the county. No filing fee or other fees normally exacted by the clerk of district court upon the filing of a case shall be required.

A summary of the issues involved, a copy of all supporting papers, a transcript of any testimony, and a copy of the decision of the commissioner shall be filed with the court. The court shall

*summarily, upon ten days' written notice, try and determine the appeal upon the record of the commissioner as certified by the commissioner and in the determination thereof shall be governed by the standard of review applicable to contested proceedings under Minnesota Statutes, Chapter 15. No new or additional evidence shall be taken on such appeal or introduced by any party to such hearing or appeal in a district court unless such new or additional evidence in the sound discretion of the court is necessary to a more equitable disposition of the appeal. If the court shall find that the order of the commissioner is not sustained by substantial evidence or is not in accord with applicable legal principles, the court shall make an order declaring the order of the commissioner null and void, giving the reasons therefor, and shall order the commissioner to take further action in the matter not inconsistent with the determination of the court. During the pendency of any appeal, if the commissioner has awarded general assistance, it shall be paid pending the determination of the appeal.*

*Subd. 6. Any party aggrieved by the determination of the district court may appeal to the supreme court in like manner as appeals are taken in civil actions, except that no filing fee shall be required by the clerk of the district court or supreme court.*

*The determination of the district court shall remain in effect during the pendency of any appeal to the supreme court.*

**Sec. 13. [MANDAMUS TO COMPEL PAYMENT OF GENERAL ASSISTANCE.]** *Subdivision 1. Notwithstanding the provisions of section 12 providing for administrative and judicial review of local agency determinations, a person denied general assistance by the local agency may apply to the district court of the county in which his application was filed and the district court shall order the payment of general assistance if the person establishes:*

*(1) The substantial likelihood that he is eligible for and entitled to general assistance, and*

*(2) The person or family will suffer irreparable injury if general assistance is not granted without delay.*

*Subd. 2. The denial by a district court of a writ of mandamus shall not affect the right or scope of administrative or judicial review as set forth in section 16 of this act.*

**Sec. 14. [VIOLATIONS; MISDEMEANOR.]** *Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by impersonation, or other fraudulent device:*

*(1) Assistance to which he is not entitled; or*

*(2) Assistance greater than that to which he is reasonably entitled; is guilty of a misdemeanor.*

**Sec. 15. [RELATIVE'S RESPONSIBILITY.]** *The financial responsibility of a relative for an applicant or recipient of general assistance shall not extend beyond the relationship of a spouse, or a parent of an applicant or recipient who is a child.*

**Sec. 16. [GENERAL ASSISTANCE TO BE ALLOWED AS CLAIM IN PROBATE COURT.]** *On the death of any person who received any general assistance under this act, or on the death of the survivor of a married couple, either or both of whom received general assistance, the total amount paid as general assistance to either or both, without interest, shall be allowed as a claim against the estate of such person or persons by the court having jurisdiction to probate the estate.*

**Sec. 17. [DATA PROCESSING PROCEDURES.]** *The local agency shall, to the extent permitted by federal law or regulation, in addition to any other necessary records and procedures, provide for the inclusion of all general assistance records in any data processing system established for the medical assistance program, in accordance with procedures established by the commissioner.*

**Sec. 18. [RESIDENCE; COUNTY OF FINANCIAL RESPONSIBILITY.]** *Subdivision 1. In determining the county of financial responsibility, in all matters concerning legal settlement of the poor, the definitions and rules of this section shall apply.*

*Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital, nursing home, or boarding care home, as defined in Minnesota Statutes, Section 144.50, at the time of making application, and immediately prior thereto resided in another county, then that other county; or (c) the above provisions notwithstanding, if an individual is a recipient of medical assistance, the county from which he is receiving medical assistance.*

*Subd. 3. [PROCEDURE WHEN COUNTY OF FINANCIAL RESPONSIBILITY IS IN QUESTION.] If upon the investigation the local agency decides that the application was not filed in the county of financial responsibility as defined by this section, but that the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application, together with the record of any investigation made by it and a copy of its decision, to the state agency, and to the agency of the county which it has decided is the county of financial responsibility. The state agency shall thereupon promptly decide any question of financial responsibility and make an order referring the application to the local agency of the proper county for further action, including reimbursement by such county of any assistance which another county has provided to the applicant in accordance with this subdivision. The state agency may make such investigation as it deems proper before making its decision. It shall prescribe rules and regulations for carrying into effect this subdivision. The order of the state agency shall be binding upon the local agency involved and the applicant or recipient, shall be complied with by that agency unless reversed on appeal as provided in this act, and shall be so complied with pending any such appeal.*

**Sec. 19. [ABOLITION OF TOWNSHIP SYSTEM OF POOR RELIEF.]** *Subdivision 1. The town system for caring for the poor in each of the counties in which it is in effect is hereby abolished. The county welfare board of each county shall administer general assistance under the provisions of this article.*

*Subd. 2. All county welfare boards affected by this act are hereby authorized to take over for the county as of the effective date of this section, the ownership of all case records relating to the administration of poor relief.*

**Sec. 20. [TRANSFER OF TOWN EMPLOYEES.]** *Subdivision 1. The term "merit system" as used herein shall mean the rules for a merit system of personnel administration for employees of county welfare boards adopted by the commissioner of public welfare in accordance with the provisions of Minnesota Statutes, Section 393.07, including the merit system established for Hennepin county pursuant to Laws 1965, Chapter 855, as amended, the federal social security act as amended, and merit system standards and regulations issued by the federal social security board and the United States children's bureau.*

*Subd. 2. All employees of any municipality or town who are engaged full time in poor relief work therein on the effective date of this section shall be retained as employees of the county and placed under the jurisdiction of its welfare board.*

*All transferred employees shall be blanketed into the merit system with comparable status, classification, longevity, and seniority, and subject to the administrative requirements of the county welfare board. Employees with permanent status under any civil service provision on the effective date of this act shall be granted permanent status under the merit system at comparable classifications and in accordance with work assignments made under the authority of the county welfare board as provided by the merit system rules.*

*The determination of proper job allocation shall be the responsibility of the personnel officer or director as provided under merit system rules applicable to the county involved with the right of appeal of allocation to the merit system council or personnel board by any employee affected by this transfer.*

*All transferred employees shall receive salaries for the classification to which they are allocated in accordance with the schedule in effect for county welfare board employees and at a salary step which they normally would have received had they been employed by the county welfare board for the same period of service they had previously served under the civil service provisions of any municipality or town; provided, however, that no salary shall be reduced as a result of the transfer.*

*All accumulated sick leave of transferred employees in the amount of 60 days or less shall be transferred to the records of the county welfare board and such accumulated sick leave shall be the legal liability of the county welfare board. All accumulated sick leave in excess of 60 days shall be paid in cash to transferred employees by the municipality or town by which they were employed prior to their transfer, at the time of transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to transfer, for all or part of the accumulated sick leave.*

*Subd. 3. Employees of municipalities and towns engaged in the*

*work of administering poor relief who are not covered by civil service provisions shall be blanketed into the merit system subject to a qualifying examination. Employees with one year or more service shall be subject to a qualifying examination and those with less than one year's service shall be subject to an open competitive examination.*

*Subd. 4. All vacation leave of employees referred to in subdivision 2 of this section, accumulated prior to their transfer to county employment shall be paid in cash to them by the municipality or town by which they were employed prior to their transfer, and at the time of their transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to such transfer, for all or part of the accumulated vacation time.*

**Sec. 21. [CONTINUATION OF RETIREMENT SYSTEM FOR FORMER MINNEAPOLIS EMPLOYEES.]** *Subdivision 1. Each employee of the city of Minneapolis who is transferred to and employed by the county under the provisions of section 20 and who is a contributing member of a retirement system organized under the provisions of Minnesota Statutes, Chapter 422, shall continue to be a member of that system and entitled to all of the benefits conferred thereby and subject to all the restrictions of chapter 422, unless he applies to cancel his membership within six months after the effective date of this act.*

*Subd. 2. The cost to the public of that portion of the retirement allowances or other benefits accrued while any such employee was in the service of the city of Minneapolis shall remain an obligation of the city and a tax shall be levied and collected by it to discharge its obligation as provided by Minnesota Statutes, Chapter 422.*

*Subd. 3. The cost to the public of the retirement allowances or other benefits accruing to employees so transferred to and employed by the county shall be the obligation of and paid by the county at such time as the retirement board shall fix and determine in accordance with chapter 422. The county shall pay to the municipal retirement fund an amount certified to the county auditor of the county by the retirement board as the cost of the retirement allowances and other benefits accruing and owing to such county employees. The cost to the public of the retirement allowances as herein provided shall be paid from the county revenue fund by the county auditor upon receipt of certification from the retirement board as herein provided, and the county board is authorized to levy and collect such taxes as may be necessary to pay such costs.*

**Sec. 22.** *Minnesota Statutes 1971, Section 245.77, is amended to read:*

**245.77 [LEGAL SETTLEMENT OF PERSONS RECEIVING ASSISTANCE; ACCEPTANCE OF FEDERAL FUNDS.]** *In the event federal funds become available to the state for purposes of reimbursing the several local agencies of the state for costs incurred in providing financial relief to poor persons under the liability imposed by section 261.03, or for reimbursing the state*

and counties for categorical aid assistance furnished to persons who are eligible for such assistance only because of the United States Supreme Court decision invalidating state residence requirements the commissioner of public welfare is hereby designated the state agent for receipt of such funds. Upon receipt of any federal funds the commissioner shall in a uniform and equitable manner use such funds to reimburse counties ; ~~towns, cities and villages~~ for expenditures made in providing financial relief to poor persons. The commissioner is further authorized to promulgate rules and regulations, consistent with the rules and regulations promulgated by the Secretary of Health, Education and Welfare, governing the reimbursement provided for by this provision.

Sec. 23. Minnesota Statutes 1971, Section 261.04, Subdivision 1, is amended to read:

261.04 [LIABILITY OF ESTATE.] Subdivision 1. [SUPPORT, MAINTENANCE, CARE, OR BURIAL.] When any person is furnished or provided with support, maintenance, care, including care at the University of Minnesota hospitals, or burial as a poor person by ~~any county, city, town, village, or borough~~ the ~~municipality~~ ~~county~~ so furnishing such aid shall have a claim therefor against the person or his estate for the reasonable value thereof, which claim may be presented and prosecuted by such ~~municipality~~ ~~county~~ at its option upon discovery of any property belonging to the poor person or to his estate.

Sec. 24. Minnesota Statutes 1971, Section 261.063, is amended to read:

261.063 [TAX LEVY FOR SOCIAL SECURITY MEASURES; DUTIES OF COUNTY BOARD.] The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for *general assistance*, old age assistance, aid to dependent children, and any other social security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor.

Sec. 25. Minnesota Statutes 1971, Section 275.09, Subdivision 3, is amended to read:

Subd. 3. [TOWN PURPOSES.] There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for town purposes, such amount as is voted at any legal town meeting, the rate of which tax shall not exceed, exclusive of such sums as are voted at the annual town meeting for road and bridge purposes ~~and for the support of the poor~~, ten mills in any town having a population of more than 7,000, excluding the population of any cities or villages therein, five mills in any town having a taxable

valuation of \$100,000 or more, and the amount of which shall not exceed \$350 in any town having a taxable valuation of less than \$100,000, and the rate of which shall not exceed one percent in any town. The rate of tax for road and bridge purposes in any town shall not exceed the rate provided by section 164.04, and the tax for poor purposes shall not exceed five mills. In any town in which the amount levied within the above limitations is not sufficient to enable the town to carry on its necessary governmental functions, the electors, during the business hours, after disposing of the annual report, may make an additional levy of not to exceed five mills to enable the town to carry on such necessary governmental functions.

Sec. 26. Minnesota Statutes 1971, Section 376.424, is amended to read:

376.424 [CHARGES; PAYMENT.] The county sanatorium commission shall fix the amount to be charged for the care, treatment and maintenance of any such nontuberculous patient, which charge shall equal all costs of such hospitalization of such patient. Any person who is afflicted with a malady, deformity or ailment, other than tuberculosis, which can probably be remedied by hospital care, service and treatment, and who is unable to pay the charges, may be admitted to the sanatorium for care, treatment and maintenance upon application of the county ; ~~town;~~ village, borough, or city responsible for the care of such person under the provisions of the statutes governing the relief of the poor, and such charges shall be paid by the county ; ~~town;~~ village, borough, or city making such application.

Sec. 27. Minnesota Statutes 1971, Section 393.01, Subdivision 3, is amended to read:

Subd. 3. [COUNTY BOARD TO BE WELFARE BOARD IN CERTAIN COUNTIES.] In any county containing a city of the first class operating under a home rule charter, wherein there is established in such city a board of public welfare for administration of poor relief in such city only, *In the county of Hennepin* the board of county commissioners shall be the county welfare board. In such ~~counties~~ *county* the members shall be reimbursed by the county for expenses actually incurred in the performance of their official duties under the provisions of this chapter. In such ~~counties~~ *county* the county auditor shall be ex officio secretary of the board, but shall have no voice in its proceedings. In such ~~counties~~ the system of caring for the poor in effect at the time of the passage of this chapter shall be continued, subject to all provisions of law relating thereto, except that, if such county is operating under the township system of caring for the poor, such towns, villages, and cities of the second, third and fourth classes therein may, by resolution of its governing body, agree with the county welfare board that the latter shall supervise and administer the poor relief fund in such town, village, or city, or contract with any one or more of the public subdivisions of the county for the purpose of jointly supervising and administering the poor relief funds in such towns, villages or cities. In any such county the powers and duties of such board of public welfare shall not be affected by the

provisions of this chapter. Such board of public welfare, in administering poor relief funds granted by any state agency authorized so to do by law, shall comply with all standards of administration and procedure prescribed by such agency.

Sec. 28. Minnesota Statutes 1971, Section 393.07, Subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION OF PUBLIC WELFARE.] The county welfare board, except as provided in section 393.01, subdivision 3, and subject to the supervision of the commissioner of public welfare, shall administer all forms of public welfare, both for children and adults, responsibility for which now or hereafter may be imposed on the commissioner of public welfare by law, including *general assistance*, aid to dependent children, old age assistance, aid to the blind, child welfare services, mental health services, and other public assistance or public welfare services. The duties of the county welfare board shall be performed in accordance with the standards, rules and regulations which may be promulgated by the commissioner of public welfare to achieve the purposes intended by law and in order to comply with the requirements of the federal social security act in respect to public assistance and child welfare services, so that the state may qualify for grants-in-aid available under that act. The county welfare board shall supervise wards of the commissioner and, when so designated, act as agent of the commissioner of public welfare in the placement of his wards in adoptive homes or in other foster care facilities.

Sec. 29. Minnesota Statutes 1971, Section 393.08, Subdivision 1, is amended to read:

393.08 [ESTIMATES FURNISHED TO COUNTY BOARD.] Subdivision 1. On or before the first day of July each year the county welfare board, except any such board referred to in section 393.01, subdivisions *subdivision 3 and 4*, shall submit to the county board of commissioners an estimate of the amount needed by it to perform its duties, including expenses of administration, and the county board of commissioners shall consider the estimates so submitted and, if approved, shall levy a tax as provided by law for the purposes. In the event the estimate is not approved, the county board of commissioners shall confer with the county welfare board and adjust a budget in accordance with the facts and levy a tax for the amount required.

In counties referred to in section 393.01, subdivision 3, the estimate required shall not include poor relief in such counties or institutional requirements in any city of the first class located therein. The tax levy by the county board of commissioners in such counties shall be such as is required for *public assistance and* categories of aid under the federal social security act, and shall be separate and distinct from other levies made by it. The governing body of any such city of the first class may annually levy a tax for poor relief *institutional requirements* as authorized by such home rule charter, on the real and personal property within the corporate limits of such city. Such tax levy and the proceeds thereof shall be subject to the same control and supervision as is imposed on any existing public welfare tax levy.



On the 25th day of July of each year the county welfare board referred to in section 393.01, subdivision 4, shall present its estimate of the amount needed by it to perform its duties, including expense of administration, to the board of county commissioners of any such county and the council of the city of the first class located in such county. Said board and said council may appoint a welfare budget advisory committee to study said budget provided that said welfare budget advisory committee must report its recommendation to said board and said council not later than September 1 of each year. The board of county commissioners of such county and the city council of such city shall jointly adopt a budget for such county welfare board and such action of such board of county commissioners and such city council in so adopting such budget shall be taken not later than September 20th of each year. The cost of all such relief, including the maintenance of any almshouse, sanatorium, or hospital maintained by such county and city shall be paid 72-1/2 percent by such county and 27-1/2 percent by such city.

In counties referred to in section 393.01, subdivision 7, the estimate required to fund the public welfare programs of the single welfare department, including expense of administration, shall be submitted to the boards of county commissioners who are parties to the agreement. Each board of county commissioners shall consider the estimate so submitted and shall confer with the board of county commissioners from the other counties who are a party to the agreement in determining the amount of funds to be assessed against each county for purposes of funding the welfare program.

Sec. 30. To the extent of appropriations available therefor, the department of public welfare shall reimburse counties up to 50 percent of all salary expenses, approved by the commissioner, incurred and paid by the counties, for which no payment or reimbursement is made by the United States or any subdivision thereof, in administering, and salary administrative costs in providing services in connection with, all public assistance programs. Claims for reimbursement for expenditures made by the county shall be presented to the department by the respective counties at least four times per year in such manner as the commissioner shall prescribe. The commissioner shall, pursuant to the administrative procedures act, prior to making any payments, promulgate rules to implement this section.

Sec. 31. There is appropriated to the department of public welfare from the general fund the sum of \$15,500,000 for the biennium ending June 30, 1975, to enable the department to pay claims made pursuant to section 30 for reimbursement for the salary cost of administering, and salary administrative costs in providing services in connection with, public assistance programs.

Sec. 32. There is hereby appropriated to the commissioner of public welfare, for the biennium ending June 30, 1975, the sum of \$10,700,000 for the purpose of state aid for general assistance.

Sec. 33. Minnesota Statutes 1971, Sections 245.46, 261.01, 261.02, 261.03, 261.05, 261.06, 261.061, 261.064, 261.065, 261.066,

261.067, 261.07, 261.08, 261.10, 261.11, 261.123, 261.124, 261.125, 261.126, 261.14, 261.141, 261.142, 261.143, 261.26 and 393.08, Subdivision 2, are repealed.

Sec. 34. Article II is effective January 1, 1974."

Further, amend the title by striking it in its entirety and inserting in lieu thereof the following:

"A bill for an act relating to the organization and operation of the state government; appropriating moneys therefor, permitting transfers in certain cases and limiting the use thereof, including appropriations for the departments of public welfare, corrections, health, commission on alcohol problems, board of examiners for nursing home administrators, public assistance programs, old age assistance, aid to dependent children, aid to the blind, aid to the disabled, and public relief; creating a welfare general assistance program and providing for the administration of welfare programs; providing penalties; amending Minnesota Statutes 1971, Sections 245.77; 261.04, Subdivision 1; 261.063; 275.09, Subdivision 3; 376.424; 393.01, Subdivision 3; 393.07, Subdivision 2; and 393.08, Subdivision 1; and repealing Minnesota Statutes 1971, Sections 245.46; 261.01; 261.02; 261.03; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.07; 261.08; 261.10; 261.11; 261.123; 261.124; 261.125; 261.126; 261.14; 261.141; 261.142; 261.143; 261.26; and 393.08, Subdivision 2."

And when so amended, H. F. No. 2275 will be identical to S. F. No. 2305 and further recommends that H. F. No. 2275 be given its second reading and substituted for S. F. No. 2305 and S. F. No. 2305 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49 the Committee recommends that H. F. No. 938 be amended as follows:

Page 3, line 5, strike "Clause" and insert in lieu "Paragraph"

Page 3, strike line 8 and insert in lieu thereof "Minnesota Statutes, Section 184.38, Subdivision 18,"

Page 3, line 9, after "at" strike "an" and insert in lieu "any"

Page 3, line 13, strike "reasons" and insert in lieu "reason(s)"

Page 3, line 22, after "order" insert "prior"

Further, amend the title in line 5, by striking "providing a penalty;" and in line 7, after "subdivision;" insert "184.33;" and in line 9, delete ", and Section 184.33"

And when so amended, H. F. No. 938 will be identical to S. F. No. 888 and further recommends that H. F. No. 938 be given its second reading and substituted for S. F. No. 888 and S. F. No. 888 be indefinitely postponed. Amendments adopted.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

### SECOND READING OF SENATE BILLS

S. F. Nos. 2417, 1941, 1960, 962 and 2016 were read the second time.

### SECOND READING OF HOUSE BILLS

H. F. Nos. 1198, 1767, 1214, 1691, 1620, 1959, 2205, 977, 662, 1932, 1727, 1671, 1510, 1579, 748, 2239, 2206, 1580, 1319, 1853, 959, 813, 1711, 1190, 285, 2275, 938, 1960, 588, 1625, 1045 and 1103 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Conzemius moved that S. F. No. 750, No. 2 on the Calendar be stricken and placed at the top of General Orders. Which motion prevailed.

### SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to take up the General Orders Calendar at this time, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Lewis in the chair.

After some time spent therein, the committee arose and the President having resumed the chair, Mr. Lewis reported that the committee had considered

S. F. Nos. 1302, 830, 1908 also H. F. Nos. 1198, 240, 1932, 1642, 1537, 1522 which the committee recommends to pass.

S. F. No. 750, which the committee recommends to pass with the following amendments offered by Messrs. Conzemius and Jensen:

Mr. Conzemius moved to amend S. F. No. 750, as follows:

Page 8, Line 15, before the period, insert, "*, including but not limited to the common use of 'hedging'*"

Page 8, Line 17, after "losses" insert "*, except for interest and taxes,*"

Page 8, strike lines 20 through 28

Page 9, strike lines 1 through 9

Reletter the clauses in sequence

Page 9, Line 18, after "*carried*" insert "*back three years and carried*"

Page 9, Line 22, after "*any*" insert "*carryback or*"

Page 9, Line 24, after "*and*" and before "*carryover*" insert "*carry-back or*"

Mr. Jensen moved to amend S. F. No. 750, as follows:

Page 9, Line 14, strike "*gross*" and insert "*net*"

Page 9, Line 27, strike "*gross*" and insert "*net*"

Mr. Blatz moved to amend S. F. No. 750, as follows:

Page 9, Line 16, after "\$10,000" strike the balance of the line.

Page 9, Line 17, strike "*exceeds the amount of \$10,000*"

Page 10, Line 1, after "\$10,000" strike the balance of the line

Page 10, Line 2, strike "*exceeds the amount of \$10,000*"

The question being taken on adoption of the amendment of Mr. Blatz,

And the roll being called, there were yeas 22 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Keefe, J.	Nelson	Tennessen
Bang	Hansen, Baldy	Kirchner	Ogdahl	Ueland
Blatz	Hansen, Mel	Kowalczyk	O'Neill	
Brown	Hanson, R.	Krieger	Pillsbury	
Dunn	Josefson	Larson	Sillers	

Those who voted in the negative were:

Anderson	Conzemius	Kleinbaum	Olson, A. G.	Solon
Arnold	Davies	Laufenburger	Olson, H. D.	Spear
Berg	Doty	Lewis	Perpich, A. J.	Stokowski
Bernhagen	Gearty	Lord	Perpich, G.	Thorup
Borden	Hughes	Milton	Purfeerst	Willet
Chenoweth	Humphrey	Moe	Renneke	
Chmielewski	Jensen	North	Schaaf	
Coleman	Keefe, S.	Novak	Schrom	

Which motion did not prevail. So the amendment was not adopted.

H. F. No. 356 which the committee recommends to pass, after the following motion:

Mr. Kleinbaum moved that the amendment made to H. F. No. 356 by the Committee on Rules and Administration in the report adopted April 5, 1973 pursuant to Rule 49 be stricken. Which motion prevailed. So the amendment was stricken.

H. F. No. 813, which the committee recommends to pass with the following amendment offered by Mr. Doty:

Amend H. F. No. 813, the typewritten bill, as amended May 2, 1973, under Rule 49, as follows:

Page 4, line 16, strike "*January 1, 1974*" and insert "*October 1, 1973*"

H. F. No. 190, which the committee recommends to pass with the following amendment offered by Mr. Hughes:

Page 1, Line 5, after "effective" insert "February 1, 1974, and"

S. F. No. 769, which the committee recommends to pass with the following amendments offered by Mr. Milton:

Page 1, line 24, after "13" insert "*years of age or over but less than 18*"

Page 1, line 24, after "age" strike "*or over*"

Page 1, line 26, strike "*having in his immediate possession*" and insert "*possessing*"

Page 1, line 31, after "*establish*" insert "*an educational course and*"

Page 2, line 1, after "*persons*" insert "*13 years of age or over but less than 18 years of age*"

Page 2, line 1, strike "*by section 361.22*"

Page 2, line 3, after "*person*" insert "*13 years of age or over but less than 18 years of age*"

Page 2, line 3, strike "*passes*" and insert "*completes*"

Page 2, line 3, after "*the*" insert "*educational program and the*"

Page 2, line 4, strike "*The*"

Page 2, strike lines 5 and 6

Page 2, line 7, strike "*renews the permit.*"

Page 2, line 8, after "\$2 for" strike "*the renewal*" and insert "*a duplicate*"

Page 2, line 9, strike "*of an*"

Page 2, line 24, after "operator" insert "*, his parent or legal guardian, or*"

Page 2, line 24, strike "15" and insert "18"

Page 2, strike lines 25 through 28

Page 3, line 1, strike "*of the operator*"

Page 4, line 9, strike "*a court, including*"

Page 4, line 10, strike "*convicts or*"

Page 4, line 14, strike "*conviction or*"

Mr. Milton moved to amend S. F. No. 769 further as follows:

Page 2, line 7, strike everything after the period

Page 2, strike lines 8 through 12

Mr. Milton moved to amend S. F. No. 769 further as follows:

Page 3, line 4, strike everything after "Subd. 2."

Page 3, strike lines 5 through 26

Page 3, line 27, strike everything before "*An*"

Page 3, line 28, after "*operator*" strike "*convicted by a court or*" and insert "*13 years of age or older but less than 18 years of age,*"

Page 4, line 4, strike "*five years*" and insert "*one year*"

Page 4, strike lines 6 through 8

Page 4, line 9, strike everything before "*The*"

Page 4, line 9, strike "*a court, including*"

Page 4, line 14, strike "*conviction or*"

H. F. No. 23 which the committee reports progress, after the following motion:

Mr. Keefe, S. moved to amend H. F. No. 23, the printed bill, as follows:

Page 2, line 6, strike "who possess a prescription for any"

Page 2, line 7, strike "drug,"

Page 2, line 7, strike "such" and insert in lieu thereof "any"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 23 and nays 27, as follows:

Those who voted in the affirmative were:

Borden	Gearty	Lewis	Novak	Spear
Chenoweth	Hughes	Lord	Olhoff	Stokowski,
Coleman	Humphrey	Milton	Perpich, A. J.	Tennessen
Davies	Keefe, S.	Moe	Perpich, G.	
Doty	Laufenburger	North	Schaaf	

Those who voted in the negative were:

Ashbach	Fitzsimons	Kirchner	Nelson	Ueland
Berg	Frederick	Kleinbaum	Ogdahl	Wegener
Bernhagen	Hansen, Baldy	Knutson	Olson, J. L.	Willet
Blatz	Hansen, Mel	Kowalczyk	Pillsbury	
Brown	Hanson, R.	Krieger	Renneke	
Dunn	Josefson	Larson	Sillers	

Which motion did not prevail. So the amendment was not adopted.

The committee then progressed H. F. No. 23.

H. F. No. 600, which the committee recommends to pass with the following amendment offered by Mr. Laufenburger:

Page 17, line 12, strike "Sec. 20." and insert "Sec. 19."

Page 17, line 14, strike "Sec. 21." and insert "Sec. 20."

S. F. No. 1334, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 7, lines 6 and 7, reinstate the stricken language

Page 7, lines 11 and 12, reinstate the stricken language

S. F. No. 1125 which the committee recommends to pass, after the following motion:

Mr. Nelson moved that S. F. No. 1125 be re-referred to the Committee on Finance.

The question being taken on adoption of the motion,

And the roll being called, there were yeas 6 and nays 49, as follows:

Those who voted in the affirmative were:

Brown	Josefson	Nelson	O'Neill	Sillers
Hansen, Mel				

Those who voted in the negative were:

Anderson	Doty	Kirchner	Moe	Renneke
Arnold	Dunn	Kleinbaum	North	Schrom
Ashbach	Fitzsimons	Knutson	Novak	Solon
Berg	Gearty	Kowalczyk	Ogdahl	Spear
Bernhagen	Hansen, R.	Larson	Olhoft	Stokowski
Blatz	Hughes	Laufenburger	Olson, A. G.	Tennessen
Borden	Humphrey	Lewis	Olson, H. D.	Thorup
Coleman	Jensen	Lord	Perpich, A. J.	Wegener
Conzemius	Keefe, J.	McCutcheon	Perpich, G.	Willet
Davies	Keefe, S.	Milton	Purfeerst	

Which motion did not prevail.

And then, on motion of Mr. Lewis, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Novak moved that S. F. No. 1626, No. 131 on the General Orders Calendar be designated as a Special Order to be heard immediately. Which motion prevailed.

S. F. No. 1626: A bill for an act relating to education; school aids and levies; authorizing the issuance of bonds by independent school district No. 625; appropriating money; amending Minnesota Statutes 1971, Chapter 124, by adding sections; Sections 120.17, Subdivision 7, and by adding a subdivision; 124.17, by adding a subdivision; 124.212, Subdivision 8, and by adding subdivisions; 124.32, Subdivisions 1 and 5, and by adding a subdivision; and 275.125, by adding subdivisions; repealing Minnesota Statutes 1971, Sections 120.17, Subdivision 8; 124.04; 124.17, Subdivision 1; 124.212, Subdivisions 3, 4, 6, and 7; 124.22, Subdivisions 1, 3, 4, and 6; 124.31; 124.32, Subdivision 3; and 275.125, Subdivisions 2 and 3.

Mr. Nelson moved to amend S. F. No. 1626, as follows:

Page 6, line 10, strike "25" and insert "10"

Page 6, line 10, after "the" insert "average of the"

Page 6, line 11, after "the" insert "four"

Page 6, line 11, strike "election" and insert "elections"

Which motion prevailed. So the amendment was adopted.

Mr. Pillsbury moved to amend S. F. No. 1626, as follows:

Page 14, Line 12, strike "primary" and insert "elementary"

Which motion did not prevail. So the amendment was not adopted.

Mr. Stassen moved to amend S. F. No. 1626, as follows:

Page 6, line 11, before the period, insert "*except that in school board elections held in conjunction with general or municipal elections, this clause shall be effective if signed by a number of qualified voters in excess of 5 percent of the total number of votes cast for school board offices*"

Which motion did not prevail. So the amendment was not adopted.

Mr. Keefe, J. moved to amend S. F. No. 1626, as follows:

Page 10, line 23, after "exceeds" insert "400 pupils or"

Which motion did not prevail. So the amendment was not adopted.

Mr. Knutson moved to amend S. F. No. 1626, as follows:

Page 3, line 14, strike "\$812" and insert "\$820"

Page 3, line 21, strike "\$24" and insert "\$32"

Page 3, line 21, after "from" strike "\$812" and insert "\$820" and before the period strike "\$812" and insert "\$820"

Page 5, line 9, strike "\$812" and insert "\$820"

Which motion did not prevail. So the amendment was not adopted.

Mr. Knutson moved to amend S. F. No. 1626, as follows:



Page 12, line 2, strike "*fourth*" and insert "*half*"

Which motion did not prevail. So the amendment was not adopted.

Mr. Knutson moved to amend S. F. No. 1626, as follows:

Page 1, lines 31 and 32, strike "*in excess of seven*" and insert "*seven or more*"

Page 1, line 33, before the period insert "*and 1974*"

Which motion did not prevail. So the amendment was not adopted.

Mr. Stassen moved to amend S. F. No. 1626 as follows:

Page 12, line 3, after the period insert

*"When the actual number of pupil units has increased from the prior year by more than six percent, the number of pupil units for such district shall equal the sum of the actual units for the current year and one half of the difference between the actual units for two years."*

Which motion did not prevail. So the amendment was not adopted.

Mr. Keefe, J. moved to amend S. F. No. 1626, as follows:

Page 5, line 27, strike "*amount*" and insert "*millage*"

Which motion did not prevail. So the amendment was not adopted.

Mr. Stassen moved to amend S. F. No. 1626, as follows:

Page 21, line 11, delete "*\$30,078,760*" and insert "*\$37,900,000*"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 19 and nays 41, as follows:

Those who voted in the affirmative were:

Bernhagen	Jensen	Knutson	Olson, J. L.	Ueland
Blatz	Josefson	Kowalczyk	Pillsbury	Wegener
Brown	Keefe, J.	Krieger	Renneke	Willet
Frederick	Kirchner	Olson, H. D.	Stassen	

Those who voted in the negative were:

Anderson	Gearty	Laufenburger	Olhoff	Solon
Arnold	Hansen, Baldy	Lewis	Olson, A. G.	Spear
Borden	Hansen, Mel	Lord	O'Neill	Stokowski
Chenoweth	Hanson, R.	McCutcheon	Perpich, A. J.	Tennessen
Chmielewski	Hughes	Milton	Perpich, G.	Thorup
Coleman	Humphrey	Moe	Purfeerst	
Conzemius	Keefe, S.	North	Schaaf	
Davies	Kleinbaum	Novak	Schrom	
Doty	Larson	Ogdahl	Sillers	

Which motion did not prevail. So the amendment was not adopted.

S. F. No. 1626 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

## CALL OF THE SENATE

Mr. Anderson imposed a call of the Senate.

The following Senators answered to their names:

Anderson	Davies	Keefe, J.	Moe	Schaaf
Arnold	Doty	Keefe, S.	Nelson	Schrom
Ashbach	Dunn	Kirchner	North	Sillers
Bang	Fitzsimons	Kleinbaum	Novak	Solon
Berg	Frederick	Knutson	Ogdahl	Spear
Bernhagen	Gearty	Kowalczyk	Olhoft	Stassen
Blatz	Hansen, Baldy	Krieger	Olson, A. G.	Stokowski
Borden	Hansen, Mel	Larson	Olson, H. D.	Tennessen
Brown	Hanson, R.	Laufenburger	Olson, J. L.	Thorup
Chenoweth	Hughes	Lewis	O'Neill	Ueland
Chmielewski	Humphrey	Lord	Perpich, A. J.	Wegener
Coleman	Jensen	McCutcheon	Pillsbury	Willet
Conzemius	Josefson	Milton	Renneke	

The Sergeant-at-Arms was instructed to bring in the absent members.

Mr. Anderson moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	North	Schrom
Arnold	Dunn	Kleinbaum	Novak	Sillers
Ashbach	Fitzsimons	Knutson	Ogdahl	Solon
Bang	Frederick	Kowalczyk	Olhoft	Spear
Berg	Gearty	Krieger	Olson, A. G.	Stassen
Bernhagen	Hansen, Baldy	Larson	Olson, H. D.	Stokowski
Blatz	Hansen, Mel	Laufenburger	Olson, J. L.	Tennessen
Borden	Hanson, R.	Lewis	O'Neill	Thorup
Chenoweth	Hughes	Lord	Perpich, A. J.	Ueland
Chmielewski	Humphrey	McCutcheon	Pillsbury	Wegener
Coleman	Josefson	Milton	Purfeerst	Willet
Conzemius	Keefe, J.	Moe	Renneke	
Davies	Keefe, S.	Nelson	Schaaf	

Messrs. Brown and Jensen voted in the negative.

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

## SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to revert to Introduction of Bills, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

## INTRODUCTION OF BILLS

Mr. Novak, for the Committee on Finance introduced—

S. F. No. 2429: A bill for an act relating to the organization and operation of state government; imposing regulations for junior college operations; appropriating moneys with certain conditions for education and related purposes, including the university of Minnesota and its hospitals, state colleges, aids to libraries, junior colleges, higher education coordinating commission, and moneys for medical educa-

tion; providing aid to school districts including those affected by gross earnings taxation and authorizing the power of eminent domain with certain of the funds provided hereby; transferring moneys between accounts and funds in the state treasury; controlling certain treasury receipts; and imposing conditions relative to the expenditure of public moneys.

Which was read the first time and under the rules of the Senate, laid over one day.

Messrs. Ogdahl, Gearty and Stokowski introduced—

S. F. No. 2430: A bill for an act relating to the city of Minneapolis; disability, retirement, and survivor benefits for city employees; amending Laws 1973, Chapter 133, Sections 6, Subdivision 5; 8, Subdivision 2; 9, Subdivision 2; 15, Subdivisions 1, 2, and 3; 16, Subdivisions 2, 4, 7, 9, and by adding a subdivision; 18, Subdivision 3; 21, Subdivision 1; 22, by adding a Subdivision; and 23, Subdivision 5.

Which was read the first time and referred to the Committee on Governmental Operations.

Messrs. Coleman, Krieger and Conzemius introduced—

S. F. No. 2431: A bill for an act relating to the legislature; creating a joint coordinating committee and prescribing its duties; establishing the office of legislative research.

Which was read the first time and referred to the Committee on Rules and Administration.

Mr. Lewis introduced—

S. F. No. 2432: A bill for an act relating to child welfare; requiring agency placement prior to adoption; amending Minnesota Statutes 1971, Section 259.22.

Which was read the first time and referred to the Committee on Health, Welfare and Corrections.

Messrs. Dunn, Arnold and Lord introduced—

S. F. No. 2433: A bill for an act relating to environmental control; management and preservation of wetlands; prescribing the powers and duties of the commissioner of natural resources and local governmental units in relation thereto; amending Minnesota Statutes 1971, Section 462.357, Subdivision 1; and Chapter 105, by adding a section.

Which was read the first time and referred to the Committee on Natural Resources and Agriculture.

Messrs. Willet, Ashbach and Hansen, Baldy introduced—

S. F. No. 2434: A bill for an act relating to aeronautics; regulating the disclosure of insurance on rented aircraft; providing penalties; amending Minnesota Statutes 1971, Section 360.018, by adding a subdivision.

Which was read the first time and referred to the Committee on Labor and Commerce.

### SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to revert to Reports of Committees, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. Which motion prevailed.

Mr. Arnold from the Committee on Natural Resources and Agriculture, to which was referred

S. F. No. 1723: A bill for an act relating to game and fish; closing the season on pheasants in Douglas county for three years.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, strike "years" and insert "year"

Page 1, line 12, strike ", 1974, or 1975"

Amend the title as follows:

Page 1, line 4, strike "three years" and insert "one year"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

Mr. Gearty from the Committee on Governmental Operations, to which was referred

S. F. No. 1387: A bill for an act relating to the Minnesota housing finance agency; prescribing its powers and duties; providing for the financing thereof; appropriating money; amending Minnesota Statutes 1971, Sections 462A.03, Subdivisions 2, 4, 9, and 10, and by adding subdivisions; 462A.05, Subdivisions 2, 3, 4, 5, and 10; 462A.06, Subdivision 11; 462A.07, Subdivision 5; 462A.08, Subdivision 1; 462A.10, Subdivision 5; 462A.17, Subdivision 1; 462A.18, Subdivision 2; 462A.21, Subdivisions 2 and 3; 462A.22; and 462A.23.

Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof:

Section 1. Minnesota Statutes 1971, Section 462A.02, is amended by adding a subdivision to read:

*Subd. 7. It is further declared that housing assistance programs*

*provided by the federal government frequently require cooperation by or coordination with an agency of state government and that the availability of particular housing assistance programs of the federal government may depend upon the existence of an agency in state government with the authority and capacity to coordinate and administer such federal housing assistance programs.*

Sec. 2. Minnesota Statutes 1971, Section 462A.03, Subdivision 2, is amended to read:

Subd. 2. "Development costs" means the costs approved by the agency as appropriate expenditures which may be incurred by sponsors of land development for residential housing or of residential housing, within this state, prior to commitment and initial advance of the proceeds of a ~~federally insured~~ *an eligible* construction loan, or ~~federally insured eligible~~ mortgage, and for which temporary loans from the housing development fund may be made by the agency subject to the provisions of section 462A.05, subdivision 2 5, including but not limited to:

(a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the ~~housing development fund agency~~, payments for the purchase of such properties;

(b) Legal and organizational expenses, including payments of attorneys' fees, project manager and clerical staff salaries, office rent and other incidental expenses;

(c) Payment of fees for preliminary feasibility studies, advances for planning, engineering and architectural work;

(d) Expenses for tenant surveys and market analyses; and

(e) Necessary application and other fees.

Sec. 3. Minnesota Statutes 1971, Section 462A.03, Subdivision 4, is amended to read:

Subd. 4. "Federally insured mortgage" means a mortgage loan for residential housing *which is* insured or guaranteed by the United States or an instrumentality thereof, or by a commitment by the United States or an instrumentality thereof to insure such a mortgage.

Sec. 4. Minnesota Statutes 1971, Section 462A.03, Subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide dwelling accommodations *for persons and families of low and moderate income and for others when determined to be necessary in furtherance of the policy stated in section 462A.02, subdivision 6*, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 5. Minnesota Statutes 1971, Section 462A.03, Subdivision 9, is amended to read:

Subd. 9. "~~Loan fund,~~" and "~~bond fund,~~" and "~~Housing development fund,~~" and "~~bond funds~~" mean the funds which may be created and established in accordance with sections 462A.20; and 462A.22 and 462A.23 , respectively.

Sec. 6. Minnesota Statutes 1971, Section 462A.03, Subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing; ~~and to be eligible or potentially eligible to occupy residential housing constructed and financed, wholly or in part, with federally insured construction loans, federally insured mortgages, federally insured securities, or with other public or private assistance, and .~~ In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally insured *subsidized* mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency in its rules.

Sec. 7. Minnesota Statutes 1971, Section 462A.03, is amended by adding a subdivision to read:

*Subd. 11. "Eligible loan" means any mortgage loan, construction loan, or other loan, whether or not federally insured, granted by the agency to an eligible mortgagor.*

Sec. 8. Minnesota Statutes 1971, Section 462A.03, is amended by adding a subdivision to read:

*Subd. 12. "Eligible security" means any security payable from or evidencing an interest in mortgages securing loans to finance residential housing.*

Sec. 9. Minnesota Statutes 1971, Section 462A.03, is amended by adding a subdivision to read:

*Subd. 13. "Eligible mortgagor" means a nonprofit corporation or limited profit entity as the same are defined by the agency in its rules, or a natural person of low or moderate income, except that the return to a limited dividend entry shall not exceed eight percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules.*

Sec. 10. Minnesota Statutes 1971, Section 462A.03, is amended by adding a subdivision to read:

*Subd. 14. "Federal housing assistance supplements" means and refers to all funds made available to the state of Minnesota by the federal government or any agency or instrumentality thereof for the purpose of assisting in providing adequate and economic housing in the state of Minnesota.*

Sec. 11. Minnesota Statutes 1971, Section 462A.05, Subdivision 2, is amended to read:

Subd. 2. It may make or participate in the making of ~~federally insured~~ *eligible* construction loans to sponsors of residential housing for occupancy by persons or families of low and moderate income. Such loans shall be made only upon determination by the agency that construction loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions.

Sec. 12. Minnesota Statutes 1971, Section 462A.05, Subdivision 3, is amended to read:

Subd. 3. It may *agree to purchase, make, or otherwise participate* in the making and enter into commitments for the *purchase, making, or participation in the making* of long term ~~federally insured~~ *eligible* mortgage loans to sponsors of residential housing for occupancy by persons and families of low and moderate income, or to persons and families of low and moderate income who may purchase such residential housing. Such loans shall be made only upon determination by the agency that long term mortgage loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions.

Sec. 13. Minnesota Statutes 1971, Section 462A.05, Subdivision 4, is amended to read:

Subd. 4. It may purchase and enter into commitments for the purchase of ~~federally insured~~ *eligible* securities provided that the agency shall first determine that the proceeds of such securities will be utilized for the purpose of residential housing for occupancy by persons or families of low and moderate income.

Sec. 14. Minnesota Statutes 1971, Section 462A.05, Subdivision 5, is amended to read:

Subd. 5. It may make temporary loans *solely* to "nonprofit" sponsors as defined by the agency, with or without interest, and with such security for repayment, if any, as the agency determines reasonably necessary and practicable, solely from the housing development fund, in accordance with the provisions of section 462A.21, to defray development costs to sponsors of residential housing construction for occupancy by persons and families of low and moderate income which development costs are eligible or potentially eligible for ~~federally insured~~ construction loans, or ~~federally insured~~ mortgages. *Provided that no temporary loans shall be made to limited dividend corporations.*

Sec. 15. Minnesota Statutes 1971, Section 462A.05, Subdivision 9, is amended to read:

Subd. 9. It may invest any funds not required for immediate disbursement in direct obligations of the United States government or in obligations the principal of which and interest on which are guaranteed by the United States government or an agency thereof, ~~subject to the provisions of section 462A.23.~~

Sec. 16. Minnesota Statutes 1971, Section 465A.05, Subdivision 10, is amended to read:

Subd. 10. It may sell ~~federally insured mortgages eligible loans or eligible securities~~ to the federal national mortgage association ~~or another any other agency or instrumentality~~ of the United States, and may invest in the capital stock of ~~such issued by said association or other agency or instrumentality~~ to the extent, if any, required as a condition of such sale.

Sec. 17. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 11. It may receive federal housing assistance supplements from the federal government, or from agencies or instrumentalities thereof; may administer and distribute said funds in accordance with the applicable provisions of federal law or regulations governing the administration and distribution of said supplements; and may make and publish such rules and regulations as are necessary to enable it to receive, administer, and distribute said supplements in accordance with said federal laws and regulations.*

Sec. 18. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 12. It may, from time to time, establish such funds as may be needed in order to receive, administer, and distribute federal housing assistance supplements. All federal housing assistance supplements received by the agency are hereby appropriated to the agency.*

Sec. 19. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 13. In carrying out the policies and purposes declared in section 462A.02, the agency shall prefer those housing projects which are federally subsidized and those loans which are federally insured or guaranteed, to the extent that the agency finds such projects and loans to be available at the times and in the amounts needed to meet the shortage of residential housing for persons and families of low and moderate income.*

Sec. 20. Minnesota Statutes 1971, Section 462A.06, Subdivision 11, is amended to read:

Subd. 11. It may make and publish rules and regulations respecting its ~~federally insured mortgage~~ lending, construction lending, and temporary lending, and any such other rules and regulations as are necessary to effectuate its corporate purpose.



Sec. 21. Minnesota Statutes 1971, Section 462A.06, Subdivision 12, is amended to read:

Subd. 12. It may borrow money to carry out and effectuate its corporate purpose and may issue its negotiable bonds or notes as evidence of any such borrowing in such principal amounts and upon such terms as shall be necessary to provide sufficient funds for achieving its corporate purpose, except that no negotiable notes shall be issued to mature more than ten years from date of issuance and no negotiable bonds shall be issued to mature more than 50 years from date of issuance in accordance with sections 462A.08 to 462A.17.

Sec. 22. Minnesota Statutes 1971, Section 462A.07, Subdivision 5, is amended to read:

Subd. 5. It may enter into agreements with sponsors, mortgagors, or the issuers of securities for the purpose of regulating the planning, development, and management of housing projects financed in whole or in part by the proceeds of federally insured mortgages eligible loans or eligible securities purchased by the agency.

462.08 [BONDS AND NOTES; PURPOSES, TERMS, APPROVAL.]

Sec. 23. Minnesota Statutes 1971, Section 462A.08, Subdivision 1, is amended to read:

Subdivision 1. The agency from time to time may issue its negotiable bonds and notes in such principal amount, as, in the opinion of the agency, shall be necessary to provide sufficient funds for achieving its purposes through, including the making of federally insured eligible construction loans and mortgage loans for residential housing for low and moderate income persons and families, and the purchase of federally insured eligible securities, the payment of interest on bonds and notes of the agency, the establishment of reserves to secure such bonds and notes, and the maintenance of a reserve as provided in section 462A.22 payment of all other expenditures of the agency incident to and necessary or convenient to carry out its corporate purposes and powers.

Sec. 24. Minnesota Statutes 1971, Section 462A.08, Subdivision 2, is amended to read:

Subd. 2. The agency from time to time may issue renewal notes, issue bonds to pay notes and whenever it deems or notes for the purpose of refunding expedient, refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds then outstanding and partly for any other purpose or notes of the agency then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The refunding bonds shall be sold and the proceeds of any such refunding bonds or notes may, in the discretion of the agency, be applied to the purchase, redemption or payment at maturity of the bonds or notes to be refunded, or to the redemp-

tion of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes and may, pending such application, be placed in escrow to be applied to such purchase, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality thereof, or in certificates of deposit or time deposits secured in such manner as the agency shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption premiums, if any, on the bonds or notes to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds or notes to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and investment income may be returned to the agency for use by it in any lawful manner. All refunding bonds or notes issued under the provisions of this subdivision shall be issued and secured in the manner provided by resolution of the agency.

Sec. 25. Minnesota Statutes 1971, Section 462A.08, Subdivision 3, is amended to read:

Subd. 3. All notes or bonds issued hereunder shall be negotiable investment securities ~~under~~ within the meaning and for all purposes of the uniform commercial code, subject only to any provisions of the bonds and notes for registration. All notes and bonds so issued shall be general obligations of the agency, secured by its full faith and credit, and payable out of any moneys, assets, or revenues of the agency, subject to the provisions of resolutions or indentures pledging and appropriating particular moneys, assets, or revenues to particular notes or bonds.

Sec. 26. Minnesota Statutes 1971, Section 462A.09, is amended to read:

462A.09 [BONDS AND NOTES; RESOLUTIONS AUTHORIZING, ADDITIONAL TERMS, SALE.] The notes and bonds of the agency shall be authorized by a resolution of the members of or resolutions adopted by the agency, shall bear such date or dates, and shall mature at such time or times, in the case of any note, or any renewal thereof, not exceeding ten years from the date of issue of such original note, and in the case of any bond, not exceeding 50 years from the date of issue, as the resolution may provide. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment lawful money of the United States of America, at such place or places within or without the state, and be subject to such terms of redemption prior to maturity as such resolution or resolutions or certificates may provide. No note shall mature more than ten years from its date or from the date of any note refunded thereby. The maximum maturity of any bond, whether or not issued for the purpose of refunding, shall be 50 years from its date. The notes and bonds of the agency may be sold by the agency, at public or private sale, at such price or prices as the agency shall determine.

Sec. 27. Minnesota Statutes 1971, Section 462A.10, Subdivision 2, is amended to read:

Subd. 2. It may pledge or create a lien on all or any part of the moneys received in payment of loans and interest thereon, and or property of the agency and any moneys held in trust or otherwise, by others to secure the payment of the notes or bonds or of any issue thereof, subject to such agreements with bondholders or noteholders as may then exist, and subject to the provisions of sections 462A.22 and 462A.23.

Sec. 28. Minnesota Statutes 1971, Section 462A.10, Subdivision 3, is amended to read:

Subd. 3. It may provide for the use and disposition of the gross income from mortgages owned by the agency and payment of principal of mortgages owned by custody, collection, securing, investment, and payment of any moneys of the agency.

Sec. 29. Minnesota Statutes 1971, Section 462A.10, Subdivision 4, is amended to read:

Subd. 4. It may set aside reserves in the bond fund or sinking funds and provide for the regulation and disposition thereof and may create other special funds into which any moneys of the agency may be deposited.

Sec. 30. Minnesota Statutes 1971, Section 462A.10, Subdivision 5, is amended to read:

Subd. 5. It may limit the guaranteed loans and securities to which the proceeds of sale of notes or bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any issue thereof.

Sec. 31. Minnesota Statutes 1971, Section 462A.10, Subdivision 9, is amended to read:

Subd. 9. It may define the acts or omissions to act which shall constitute a default in the obligations and duties of the agency and may provide for the rights and remedies of the holders of bonds or notes in the event of such default, and provide any other matters of like or different character, consistent with sections 462A.01 to 462A.24 the general laws of the state and other provisions of this chapter, which in any way affect the security or protection of the notes or bonds and the rights of the holders thereof.

Sec. 32. Minnesota Statutes 1971, Section 462A.16, is amended to read:

462A.16. If the agency defaults in the payment of principal or interest on any issue of notes or bonds after the same shall become due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or if the agency fails or refuses to comply with the provisions of sections 462A.01 to 462A.24 this chapter, or defaults in any agreement made with the holders of any issue of notes or bonds, the holders of 25 percent in aggregate principal amount of the notes or bonds of such issue

then outstanding may appoint a trustee to represent the holders of such notes or bonds for the purposes set forth in *section 462A.17, unless the notes or bonds are issued under an indenture made and entered into by the agency with a designated trustee.*

Sec. 33. Minnesota Statutes 1971, Section 462A.17, Subdivision 1, is amended to read:

462.17 [POWERS AND DUTIES OF TRUSTEE.] Subdivision 1. The trustee *designated in any indenture or resolution securing an issue of notes or bonds, or a trustee appointed pursuant to section 462A.14* 462A.16, may, and upon written request of the holders of 25 percent in principal amount of such notes or bonds then outstanding shall, in his own name, *subject to the provisions of such indenture or resolution:*

(a) Enforce all rights of the noteholders or bondholders, including the right to require the agency to collect fees and charges and interest and ~~amortization~~ payments on ~~mortgage~~ eligible loans and mortgages made and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, such fees and charges and ~~interest~~ payments and to require the agency to carry out any other agreements with the holders of such notes or bonds and to perform its duties under ~~sections 462A.01 to 462A.24~~ *this chapter;*

(b) Bring suit upon such notes or bonds;

(c) Require the agency to account as if it were the trustee of any express trust for the holders of such notes or bonds;

(d) Enjoin any acts or things which may be unlawful or in violation of the *rights* of holders of such notes or bonds; or

(e) Declare all such notes or bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of 25 percent of the principal amount of such notes or bonds then outstanding, ~~to the trustee may annul such declaration and consequences.~~

Sec. 34. Minnesota Statutes 1971, Section 462A.18, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of this section, the agency shall have power, subject to the approval of the state treasurer, to contract with the holders of any of its notes or bonds, as to the custody, collection, securing, investment, and payment of any moneys of the ~~agency~~ agency, or any moneys held in trust or otherwise for the payment of notes or bonds, and to carry out such contract. Moneys held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of such moneys may be secured in the same manner as moneys of the agency, and all banks and trust companies are authorized to give such security for such deposits. *All moneys so paid to the state treasurer as agent of the agency, from whatever source, are appropriated to the agency.*

Sec. 35. Minnesota Statutes 1971, Section 462A.20, Subdivision 2, is amended to read:

Subd. 2. There shall be paid into the housing development fund:

(a) Any moneys appropriated and made available by the state for the purposes of the fund;

(b) Any moneys which the agency receives in repayment of advances made from the fund;

(c) Any other moneys which may be made available to the authority for the purpose of the fund from any other source or sources;

(d) All fees and charges collected by the agency;

(e) All interest or other income not required to be paid into the bond fund or loan fund by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund.

Sec. 36. Minnesota Statutes 1971, Section 462A.21, Subdivision 2, is amended to read:

Subd. 2. To make temporary loans to "nonprofit" sponsors to defray development costs, as provided by section 462A.05, subdivision 5. Each such loan shall be repaid in full by the borrower to the agency concurrent with the initial endorsement of such ~~borrowers~~ *federally insured borrower's eligible* construction loan, unless the authority extends for the period for the repayment of the advances. In no event shall the time of repayment be extended later than the date of the final endorsement of the ~~federally insured eligible~~ mortgage loan. If no permanent financing is obtained ~~from the federal agency~~, the loan shall be repaid in accordance with such terms and conditions as the agency has prescribed by rule.

Sec. 37. Minnesota Statutes 1971, Section 462A.21, Subdivision 3, is amended to read:

Subd. 3. To make planning grants to local communities, pursuant to rules promulgated by the agency, in such amounts as the agency determines, not to exceed the net costs, exclusive of any federal or other aid or assistance, as are incurred by the local community in planning for land and building acquisition, improvements, renewal, relocation or conservation. Such grants shall be limited to planning for specific sites upon which housing is, or is to be, situated and sites designated for other uses that are reasonably related to such housing.

Sec. 38. Minnesota Statutes 1971, Section 462A.21, Subdivision 4, is amended to read:

Subd. 4. For the payment of all costs, expenses, and financing not paid out of ~~the loan fund~~ *a special fund created by a resolution or indenture securing notes or bonds*.

Sec. 39. Minnesota Statutes 1971, Section 462A.22, is amended to read:

462A.22. Subdivision 1. ~~Before issuing any bonds or notes the agency shall establish a special bond fund on its official books and~~

records, and shall deposit in it, whenever money is received or available from any of the sources described below, such amount of such money as may be needed to increase the balance then on hand in the bond fund to an amount at least equal to the maximum amount of principal and interest to become due in any subsequent fiscal year on all bonds then outstanding and payable from the bond fund; or to such greater amount as may be covenanted and agreed in the resolutions, indentures, or other instruments authorizing the issuance of the bonds. The obligation to make these deposits shall be a first and prior lien and charge on (a) the proceeds of each issue of agency bonds, (b) all repayments of principal and interest on federally insured mortgage loans made and securities purchased from the loan fund, and (c) all cash and investments from time to time on hand in the loan fund (other than proceeds of notes and repayments of federally insured construction loans and interest thereon). The bond fund shall be used only to pay when due the principal of and interest on bonds of the agency, and all fees and expenses of trustees and paying agents designated for bond issues. Investments of money in the bond fund shall be limited to direct obligations of the United States government maturing within one year from the date of investment, and shall be valued at their maturity value. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed \$150,000,000. To the extent consistent with the provisions of resolutions of the agency or other instruments authorizing the issuance of bonds, the interest rate on loans made from the proceeds thereof may be decreased or increased from time to time, provided that the rate shall at no time be less than the rate paid by the agency on bonds issued to fund the loan.

*Subd. 2. Subdivision 1 is not a contract with the holders of any bonds or notes excluding the issuance of bonds or notes in excess of said maximum amount, if such maximum shall be increased by law.*

*Subd. 3. The agency may create and establish a special fund or funds for the security of one or more or all series of its bonds or notes, which funds shall be known as debt service reserve funds. The agency may pay into each debt service reserve fund (a) any moneys appropriated by the state only for the purposes of such fund, (b) any proceeds of sale of bonds or notes to the extent provided in the resolution or indenture authorizing the issuance thereof, (c) any funds directed to be transferred by the agency to such debt service reserve fund, and (d) any other moneys made available to the agency only for the purpose of such fund from any other source or sources.*

*Subd. 4. The moneys held in or credited to each debt service reserve fund, except as provided in this section, shall be used solely for the payment of the principal of bonds or notes of the agency as the same mature, the purchase of such bonds or notes, the payment of interest thereon, or the payment of any premium required when such bonds or notes are redeemed before maturity; provided, that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of the fund to less than the amount which the agency shall determine to be reasonably necessary for the purposes*

of the fund, except for the purpose of paying principal or interest due on bonds or notes secured by the fund, for the payment of which other moneys of the agency are not available.

Subd. 5. Moneys in any debt service reserve fund not required for immediate use or disbursement may be invested in obligations of the state or the United States of America, or obligations the principal and interest of which are guaranteed by the state or the United States of America. In computing the amount of any debt service reserve fund for the purpose of this section, securities in which all or a portion of the fund are invested shall be valued at par or, if purchased at less than par, at their cost to the agency.

Subd. 6. If the agency shall create and establish a debt service reserve fund for the security of any series of bonds or notes, it shall not issue any additional bonds or notes which are similarly secured if the amount of any of the debt service reserve funds at the time of such issuance does not equal or exceed the minimum amount, if any, required by the resolution creating such fund, unless the agency shall deposit in each such fund at the time of such issuance, from the proceeds of the bonds or notes or otherwise, an amount which, together with the amount then in the fund, will be not less than the minimum amount so required.

Subd. 7. To the extent consistent with the resolution and indentures securing outstanding bonds and notes, the agency may at the close of any fiscal year transfer to any other fund or account from any debt service reserve fund, any excess in that fund over the amount deemed by the agency to be reasonably necessary for the purpose of the fund.

Subd. 8. In order to assure the payment of the principal of and interest on bonds and notes of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1, (a) the amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding and secured by such fund; and (b) the amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed. The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified to him by the agency in accordance with this subdivision 8.

Subd. 9. The agency shall also submit a biennial report of its activities to the governor and the legislature on or before January 15 in each odd-numbered year.

Subd. 10. All of the official books and records of the agency shall be subject to audit by the public examiner in the manner prescribed for other agencies of state government. The agency is authorized also to

*employ and to contract in its resolutions and indentures for the employment of independent accountants for the audit of books and records pertaining to any fund or funds, and the public examiner is authorized to cooperate with such accountants as provided in Minnesota Statutes, Sections 215.31 to 215.37.*

Sec 40. *Minnesota Statutes 1971, Sections 462A.06, Subdivisions 13, 14, 15 and 16; and 462A.23, are repealed.*

Further, amend the title on page 1, as follows:

line 5, delete "appropriating money"

line 6, after "Sections" insert "462A.02, by adding a subdivision;"

line 7, after "4," insert "7,"

line 9, after "5," strike "and" and insert "9,"

line 9, after "10" and before the semicolon insert ", and by adding subdivisions"

line 10, strike "Subdivision 11" and insert "Subdivisions 11 and 12"

line 11, delete ", Subdivision 1"

line 12, before "462A.10" insert "462A.09;"

line 12, strike "Subdivision 5" and insert "Subdivisions 2, 3, 4, 5, and 9"

line 12, before "462A.A" insert "462A.16;"

line 13, after "Subdivision 2;" insert "462A.20, Subdivision 2;"

line 14, strike "2 and 3" and insert "2, 3 and 4"

line 14, before "462A.22" insert "and"

Strike all of line 15 and insert in lieu thereof "repealing Minnesota Statutes 1971, Sections 462A.06, Subdivisions 13 to 16; and 462A.23."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

Mr. Gearty from the Committee on Governmental Operations, to which was referred

S. F. No. 1005, A bill for an act relating to ethics in political activity; creating a state ethics commission to regulate lobbying activity and campaign financing; appropriating money; providing a penalty; repealing Minnesota Statutes 1971, Sections 211.06; 211.16; 211.17; 211.20; 211.21; 211.22; 211.25; and 211.32.



Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof:

"Section 1. [PUBLIC POLICY.] The legislature hereby declares that public confidence in the integrity of government and the impartiality of its individual members is a precondition of a representative democracy. If the reputation of state government is to be maintained, the legislature must foster a moral climate in which public officials may reach impartial and independent judgments based solely on the considerations of the public good.

Sec. 2. [DEFINITIONS.] Subdivision 1. As used in this act, the following terms have the meanings given them unless the context requires otherwise.

Subd. 2. "Administrative action" means the making of any recommendation, report or decision or taking of any official action by one or more officials in the executive branch, a state regulatory commission, agency or other body in the executive branch, and includes a decision to postpone a decision or action.

Subd. 3. "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, or self-employed individual.

Subd. 4. "Business with which he is associated" means any business of which the individual is a director, officer, proprietor, partner, employer, or holder of stock worth \$2,500 or more at fair market value.

Subd. 5. "Candidate" means an individual who seeks nomination for election, or election to any statewide office or legislative office, other than a federal office for which candidates are required to report under federal laws, whether or not the individual is elected. An individual shall be deemed to seek nomination for election, or election, if he has taken the action necessary under the law of a state to qualify himself for nomination for election, or election, to an office, or received contributions or made expenditures, or has given his consent, implicit or explicit, for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to an office.

Subd. 6. "Cash" means money, securities at market value, balances on deposit in banks and savings and loan institutions, checks, negotiable money orders and other paper commonly accepted by a bank in a deposit of cash, and cash funds in other repositories.

Subd. 7. "Commission" means the state ethics commission.

Subd. 8. "Contribution" means:

(a) A gift, subscription, loan, advance, or deposit of money or anything of value, made to influence the nomination for election, or election, of a person to office;

(b) A contract, promise, or agreement, whether or not legally enforceable, to make a contribution for the purpose;

(c) A transfer of funds between political committees; and

(d) The payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to a candidate or committee without charge to influence the nomination for election, or election of a person to office. "Contribution" shall not be considered to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee.

Subd. 9. "Election" means any general, special or primary election and any convention or caucus of a political party held to nominate or endorse a candidate.

Subd. 10. "Legislative action" means introduction, sponsorship, debate, voting and any other official action on any bill, resolution, amendment, nomination, appointment, or report in a legislative committee, or in either house of the legislature.

Subd. 11. "Legislative employee" means any person employed by the Legislature or by any of its committees and any person employed by a legislator who is paid from funds provided by the state at a rate in excess of \$15,000 per year.

Subd. 12. "Lobbyist" means any person who:

(a) Makes a total expenditure in excess of \$30 in a calendar month, not including his own travel expenses or membership dues, for communicating directly with, or reimbursing another to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; or

(b) Makes a total expenditure in excess of \$30 in a calendar month, not including membership dues, to solicit others by an advertising campaign to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; or

(c) Receives compensation from another to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; or

(d) Receives reimbursement in excess of \$30 from another to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; or

(e) As a part of his regular employment periodically communicates directly with a member of the legislative or executive branch to influence legislation or administrative action whether or not any compensation in addition to the salary for that regular employment is received for the communication.

"Lobbyist" does not include an individual acting solely on his

behalf who does not spend an amount in excess of \$30 per month for personal postage and telephone for such solicitation; public officials acting in the course of their office or employment who engage in the conduct described; persons requesting that a claim be filed in their behalf and who testify in furtherance of that claim; persons who own, publish, or are employed by a newspaper or other regular published periodical or radio station, television station, wire service or other bona fide news media which in the ordinary course of business disseminates news, and editorials if such persons engage in no further activities and represent no other persons in connection with the influencing of legislation and administrative action; persons appearing before a legislative committee at the invitation of the committee and who receive no compensation for their appearance and engage in no further activities to influence legislation.

Subd. 13. "Official in the executive branch" "or member of the executive branch" means any member of a state regulatory commission, agency or other body in the executive branch, and any official or employee of the state receiving from the state a salary at a rate in excess of \$15,000 per year who takes any administrative action, as defined in subdivision 2, but does not include officials or employees of state supported universities and colleges.

Subd. 14. "Expenditure" means:

(a) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to public office;

(b) A contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; and

(c) A transfer of funds between political committees.

Subd. 15. "File" means delivery to the office of the state commission or in the case of certain filings by persons or political committees to the appropriate county auditor by midnight of the prescribed filing date, or deposit as certified mail, in an established United States post office, postage prepaid, no later than midnight of the second day next preceding the filing date. Certified mail receipts shall be retained as evidence of filing. In the event the mailing deadline falls on a day in which no mail is certified, the next preceding day on which mail is certified shall be deemed the mailing date.

Subd. 16. "Full name" and "name" mean the identification of the person usually given for business purposes.

Subd. 17. "Mailing address" and "address" mean apartment or building number, street number, city or town and ZIP code.

Subd. 18. "Occupation and principal place of business," means, if self-employed, type of work or profession and city where self-employed; or, if otherwise employed, type of work or title, name of employer or employing organization and city of employment.

Subd. 19. "Official in the legislative branch" or "member of the legislative branch" means any candidate for the legislature in a primary, special or general election, any member or member-elect of the legislature, any member of a commission established by and responsible to the legislature or either house thereof, and any staff member, assistant or employee of the same receiving from the state a salary at a rate in excess of \$15,000 per year.

Subd. 20. "Person" means an individual, corporation, association, firm, partnership, committee, club, labor organization or other organization or group of persons.

Subd. 21. "Political committee" means a combination of two or more individuals, or a person other than an individual, the primary or incidental purpose of which is to support or oppose any candidate or measure or to influence the result of election.

Subd. 22. "Public office" means the office of governor, lieutenant governor, attorney general, secretary of state, state auditor, state treasurer, state senator and state representative.

Subd. 23. "Public official" means any elected or appointed official or employee of the state, including the executive agencies and the judicial branch, any legislator and any legislative employee.

Subd. 24. "Principal political committee" means the political committee designated by a candidate as the political committee which may make expenditures on behalf of said candidate.

Subd. 25. "Affiliated or connected organization" means

(a) an organization which organized the reporting committee primarily for the purpose of influencing the nomination or election of candidates for office; or

(b) an organization whose primary purpose is to support the reporting committee; or

(c) an organization whose membership is generally similar to that of the reporting committee.

Subd. 26. "Calendar year" is the period January 1 through December 31, inclusive, except in the first year of this act when calendar year shall be the period from the effective date of this act through December 31.

Subd. 27. "Political party" means an organization which shall have maintained in the state, governmental subdivision thereof or precinct therein in question, a party organization, and presented candidates for election at the last preceding general election one or more of which candidate shall have been voted for in each county within the state at that election and shall have received in the state not less than five percent of the total vote cast for all candidates at that election or whose members in a number equal to at least five percent of the total number of votes cast in the preceding general election in the county where the application

is made present to the county auditor a petition for a place on the primary election ballot.

Subd. 28. "Minor party" means any party which ran a candidate on the statewide or legislative ballot at the last general election and is not a political party.

Subd. 29. "Per capita" means per unit of population.

Subd. 30. "Depository" means any bank savings and loan association or credit union, organized under federal law or state law and transacting business within Minnesota.

Sec. 3. [STATE ETHICS COMMISSION; MEMBERSHIP.] Subdivision 1. There is hereby created a state ethics commission composed of 15 members as follows: Two members of the Minnesota senate, one appointed by the committee on committees and one elected from the most numerous minority caucus; two members of the Minnesota house of representatives, one appointed by the speaker and one elected from the most numerous minority caucus; the secretary of state; and ten public members, appointed by the governor with the advice and consent of the senate, no more than five of whom shall be of the same political party and none of whom shall be a holder of public office, an official of the executive or legislative branch or a holder of state office in a political party as defined in Minnesota Statutes, Section 202.20.

Subd. 2. The terms of the members of the commission shall be as follows: The members of the legislature shall serve a two year term; the secretary of state shall serve during his term of office as secretary of state; the public members shall serve a six year term, provided that the public members first appointed shall serve the following terms to be determined by lot: three shall be appointed for two years, three shall be appointed for four years, and four shall be appointed for six years. No public member shall serve for more than one term.

Subd. 3. If a member ceases to hold the position that qualified him for membership on the commission, a vacancy shall thereby be created. An appointment or election to fill a vacancy shall be for the balance of the unexpired term only. An appointment must be made or a caucus election held within 30 days of a vacancy.

Sec. 4. [OFFICERS.] The commission shall elect one member to serve as chairman and one member to serve as vice-chairman and such other officers as to them shall appear necessary. The vice-chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in that office. A vacancy in the commission shall not impair the right of the remaining members to exercise all the powers of the commission and eight members thereof shall constitute a quorum for the transaction of business.

Sec. 5. [ANNUAL REPORT.] In addition to any other specific reports called for by this act, or otherwise published by the commission, the commission shall at the close of each fiscal year make an annual report to the legislature, the governor and the

public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The commission shall include and identify in its report any other reports on matters within its jurisdiction and shall offer recommendations for further legislation as may be required or desirable.

Sec. 6. [DUTIES.] In addition to any other duties prescribed by this act it shall be the duty of the commission:

(a) To prescribe forms for statements, reports and other information required to be filed by this act and to furnish such forms to persons required to file them;

(b) To prepare and publish a manual prescribing uniform systems and methods of accounting and reporting for use by persons required to file statements and reports by this act;

(c) To accept and file any information voluntarily supplied that exceeds the requirements of this act;

(d) To develop a filing, coding, and cross-indexing system consonant with the provisions of this act;

(e) To make the reports and statements filed with it available for public inspection and copying during regular office hours, and to make copying facilities available free of charge or at a charge not to exceed actual cost. Any information copied from reports and statements shall not be sold for the purpose of soliciting contributions or for any commercial purpose. For the purposes of this section, "any commercial purpose" means any sale, trade, or barter of any list of names or addresses taken from the reports and statements and any use of the list for any surveys or sales promotion activity. For purposes of this section, "soliciting contributions" means requesting gifts or donations of money, or anything of value for any cause or organization or anything of value for any cause or organization, political, social, charitable, religious, or otherwise;

(f) To preserve such reports and statements for a period of six years from the date of receipt;

(g) To prepare and publish, in addition to the specific summaries and reports required elsewhere in this act, such other summaries of statements and reports received and such other reports as may seem appropriate;

(h) To provide for wide public dissemination of summaries and reports;

(i) To make investigations with respect to statements and reports filed pursuant to this act, with respect to alleged failures to file any statement required under the provisions of this act, and upon complaint by any individual, with respect to alleged violation of any part of this act. In all matters relating to its official duties, the commission shall have the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All persons subject to the provisions of this act shall aid

the commission in the performance of its duties including, but not limited to, the production for examination of all books, accounts, records, documents, and receipts, and the answering under oath of its lawful inquiries;

(j) To report suspected violations of law to the appropriate law enforcement authorities, including both the attorney general and the appropriate county attorney;

(k) To issue and publish upon request advisory opinions on the requirements of this act, based on a real or hypothetical set of circumstances;

(l) To promulgate, pursuant to Minnesota Statutes, Chapter 15, rules and regulations to carry out the provisions of this act.

Sec. 7. [COMPENSATION.] Each member of the commission shall, for actual time engaged in the business of the commission, receive \$35 per day.

Sec. 8. [OFFICES.] The office of the commission shall be in the state capitol complex, but it may meet or exercise any or all of its powers at any other place in the state. All administrative services such as supplies, office space and furnishings, payroll preparation and accounting services shall be provided to the commission by the secretary of state.

Sec. 9. [EMPLOYEES.] The commission shall appoint an executive director who shall be in the unclassified service to serve at the pleasure of the commission. The executive director shall be responsible for the administrative operations of the commission and shall perform such other duties as may be delegated or assigned to him from time to time by the commission. The commission, however, may not delegate the making of regulations to the executive director. The executive director may employ such persons as the commission finds necessary to carry out the provisions of this act subject to appropriation.

Sec. 10. [POLITICAL ACTIVITY.] All public members, agents, attorneys, and employees of the commission, except elected officials, shall be subject to any provisions of law regulating political activity by state employees. In addition, no public member, agent or attorneys and employees of the commission shall be a candidate or a holder of legislative district, congressional district, or state office in a political party.

Sec. 11. [INSPECTION OF DOCUMENTS FILED.] The executive director of the commission or his staff shall inspect all registrations, statements, reports, and disclosures filed with the commission as promptly as is necessary to comply with any provision of this act, but no later than ten days after it is filed. He shall notify the person required to file a document with the commission under this act immediately if:

(a) Upon inspection of a filed document, or other records it appears that the person has failed to file a statement as required

by this act, or that a document filed by the person does not conform to this act; or

(b) A written complaint is filed with the commission by any registered voter alleging that a document filed with the commission does not conform to this act or to the truth, or that a person has failed to file a statement, disclosure, report, document, or registration required by this act.

Sec. 12. [AUDITS.] The commission may conduct audits to assure compliance with this act.

Sec. 13. [PUBLIC POLICY; LOBBYISTS.] The legislature hereby declares that the operation of responsible democratic government requires that the fullest opportunity be afforded people to petition their government for the redress of grievances and to express freely to individual members of the legislature, to committees of the legislature, and to officials of the executive branch their opinions on legislation, on pending executive actions, and on current issues; and that, to preserve and maintain the integrity of the legislative and administrative processes, it is necessary that the identity, expenditures, and activities of certain persons who engage in efforts to persuade members of the legislature or the executive branch to take specific actions, either by direct communication to such officials, or by solicitation of others to engage in such efforts, be publicly and regularly disclosed.

Sec. 14. [LOBBYIST REGISTRATION.] Subdivision 1. Each lobbyist shall, not later than five calendar days after commencing lobbying activity, file a registration form with the commission. Registration or reports by an individual lobbyist shall not exempt either the person whom the lobbyist represents or that lobbyist's employees from registering or filing reports, if they are also lobbyists as defined herein.

Subd. 2. The registration form shall be prescribed by the commission and shall include the registrant's full name and complete address, place of business; the full name and complete address of each person, whether or not an employee, who will lobby on behalf of the registrant; the full name and complete address of each person, if any, by whom the registrant is retained or employed or on whose behalf the registrant appeals; the date on which the registrant expects his lobbying to end; and a general description of the matters on which the registrant expects to lobby and the position of the registrant on each matter listed. If the registrant lobbies or purports to lobby on behalf of an organization with members, such registration form shall include a statement of the number of members, the name and address of all directors and the outline of the procedure by which the organization adopts a policy on any matter before the legislature.

Sec. 15. [LOBBYIST REPORTING; INFORMATION REQUIRED.] Subdivision 1. Each person who registers pursuant to section 14 shall file with the commission a report concerning his



activities during the preceding calendar month within ten days after the close of each calendar month of each year as long as such registrant continues to engage in any lobbying activity.

Subd. 2. Each person about whose activities a registrant is required to report by subdivision 1 shall provide a full account of such activities to the registrant at least five days before such registrant's report is due to be filed.

Subd. 3. Such report shall be on a form prescribed by the commission, and shall include a complete and up-to-date statement of the information required to be supplied under section 14 plus the following information for the preceding calendar month:

(a) The registrant's total expenditures on lobbying and a breakdown of such expenditures into the following categories: the cost of publication and distribution of each publication used in lobbying; other printing; media; advertising, including production costs; postage; travel; salaries and fees, including allowances, rewards and contingency fees; entertainment; telephone and telegraph; and other expenses;

(b) A list of each contribution and membership fee of \$200 or more paid to the registrant regardless of whether it was paid solely for the purpose of lobbying, with the full name and complete address and principal business activity of each payor and the subject matter, if any, for which such contribution was made;

(c) A list of each honorarium, gift or loan, in excess of \$10 in value, paid to an official in the legislative or executive branch, by any employee of the registrant, by any lobbyist who received compensation or reimbursement for expenses from the registrant, or, if the registrant is a person other than an individual, by any officer or official of the registrant.

Sec. 16. [CERTIFICATION OF FORMS.] Each lobbyist registration form and report required to be filed under this act shall be signed and certified as true and correct by the registrant, or, if the registrant is a person other than an individual, by an appropriate officer of such registrant. Each person required to file a registration form or report shall file one that conforms to this act and to the truth.

Sec. 17. [LEGISLATIVE REPORT.] Beginning with the third Monday following the beginning of any regular or special session of the legislature after the adoption of this act, and on every Monday thereafter for the duration of such session the executive director of the commission shall from his records report to each house of the legislature the names of lobbyists registered under this act who were not previously reported, the names of the persons whom they represent as such lobbyists and the subjects of legislation in which they are interested. Such report shall be incorporated into the journal of each branch of the legislature.

Sec. 18. [FALSE STATEMENTS PROHIBITED.] No lobbyist shall knowingly or willfully make any false statement or misrepresenta-

tion of the facts to any official in the legislative branch or in the executive branch, or knowing a document to contain a false statement, cause a copy of such document to be received by an official in the legislative branch or in the executive branch without notifying such official in writing of the truth.

Sec. 19. [CONTINGENT FEES PROHIBITED.] No person shall be employed as a lobbyist for a compensation dependent in any manner upon the result or outcome of any legislative or executive action.

Sec. 20. [PUBLIC OFFICE IS PUBLIC TRUST.] The legislature hereby declares that public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

Sec. 21. [PUBLIC OFFICIAL, CONDUCT.] No public official shall knowingly use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, unless the financial gain affects him no more greatly than other members of a business classification, profession, occupation or other group to which he belongs.

Sec. 22. [GIFTS TO PUBLIC OFFICIALS.] Subdivision 1. No person shall offer or give to a public official or a member of a public official's household and no public official shall solicit or receive anything of value, including a gift, favor or service or a promise of future employment, based on any understanding that such public official's vote, official actions or judgment would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed \$100 during any single calendar year.

Subd. 2. No person shall offer or pay to a public official and no public official shall solicit or receive any money in addition to that received by the public official in his official capacity for legislative advice or assistance, or for advice given in the course of the public official's employment or relating to such employment.

Sec. 24. [CONFLICTS OF INTEREST.] Subdivision 1. Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would substantially affect his financial interests or those of a business with which he is associated, unless the benefit or detriment affects him no more greatly than other members of a business classification, profession, occupation, or other group to which he belongs, shall take the following actions:

(a) He shall prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(b) He shall cause copies of such statement to be delivered to the state ethics commission and to his immediate superior, if any;

(c) If he is a legislator or legislative employee, he shall deliver a copy of such statement to his presiding officer. The presiding officer may, upon request, excuse a legislator from votes, deliberations, and other action on the matter on which a conflict may exist; and

(d) If he is not a legislator, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest. If he has no immediate superior, he shall take steps as the commission shall prescribe through rules or regulations to remove himself from influence over actions and decision on the matter on which the potential conflict exists.

Subd. 2. No official of the executive or legislative branch shall represent a client before any state regulatory department or agency for a fee; provided that this section shall not be construed to prohibit a public official from practicing before the courts of this state or the workmen's compensation commission or filing papers of incorporation of tax returns or from practicing for compensation before any state board or agency in connection with, or in any matter related to, any case, action, or proceeding filed and pending in any county, state or federal court; and provided that this section shall not act to prohibit a member from making inquiry for information on behalf of a constituent before a state board or agency, if no fee or reward is given or promised in consequence thereof; and provided that the prohibition contained in this subdivision shall not apply to a partnership in which the public official is a member and provided that the prohibition contained in this subdivision shall not apply in connection with any matter pending before any state board or agency on the operative date of this subdivision if the affected public official is attorney of record or representative in the matter prior to such operative date.

Subd. 3. No public official and no business with which a public official is associated shall enter into any contract in excess of \$3,000 with a state agency which is to be paid in whole or in part out of state funds unless the contract has been awarded through a process of public notice and competitive bidding, or under the provisions of Minnesota Statutes Chapter 16.07.

Subd. 4. No person shall offer or give to a member or employee of a state regulatory commission that regulates a business with which such person is associated, and no member or employee of a state regulatory commission shall solicit or accept from any such person, anything of value, including a promise of future employment or a favor or service, while the member or employee is associated with the regulatory commission. No former member or employee of a state regulatory commission shall serve as a lobbyist or represent clients before such regulatory commission for a period of three years after he leaves such regulatory commission.

**Sec. 25. [STATEMENT OF ECONOMIC INTERESTS.]** Subdivision 1. Within 14 days after an individual accepts appointment or files for office in the executive or legislative branch or a judge of the Minnesota supreme or district court he shall file a statement of economic interests at the office of the commission.

Subd. 2. Each official who receives a declaration of candidacy or

petition to appear on the ballot from an individual required by subdivision 1 of this section to file statement and each official who nominates such an individual shall within five days of such receipt or nomination, notify the commission of the name of each such individual and the date of the declaration, petition or nomination.

Subd. 3. The commission shall notify such official, and in the case of candidates for appointive office, the clerk of the body that will approve or disapprove the nomination, of the name of the individual who has filed a statement of economic interests at the office of the commission and of the date on which such statement was filed.

Subd. 4. Other provisions of the law notwithstanding, a candidate for elective office described in subdivision 1 who fails to submit a statement of economic interests in accordance with the requirements of this act within 14 days after he files for office shall be notified by the commission by certified mail. A candidate who knowingly fails to submit a statement of economic interests within 20 days shall be guilty of a gross misdemeanor.

Subd. 5. If an individual who is a nominee for appointive office described in subdivision 1 fails to file a statement of economic interests in accordance with the provisions of this act within 20 days after such nomination, the nomination shall not be approved or ratified until at least five days after he has filed such statement of economic interests.

Subd. 6. No individual appointee described in subdivision 1 who receives from the state a salary at a rate in excess of \$15,000 per year and no official of the legislative branch shall be allowed to take the oath of office or enter upon his duties unless he has filed a statement of economic interests in accordance with the provisions of this act at the office of the commission.

Subd. 7. Any statement of economic interests filed under this act shall be on a form prescribed by the commission, and the individual filing the statement shall supply the following information:

(a) The name of each business and trust in which he has a financial interest, and the nature and category of the amount of such interest;

(b) A list of any offices or directorships held by him in a corporation, firm or enterprise;

(c) The legal description of all real estate in Minnesota in which he has any interest, direct or indirect, including an option to buy, excluding homesteaded property and property valued at less than \$1,000 at the time such statement is filed;

Subd. 8. Where an amount is required to be reported by category, the individual shall report whether the amount is at least \$1,000 but less than \$10,000, at least \$10,000, but less than \$25,000, or \$25,000 or more. An amount of stock may be reported by number of shares instead of by category of dollar value. Less than \$1,000 need not be reported. No provision of this act shall be held to prevent any person from filing more information or more detailed information than required.

Subd. 9. Each individual who is required to file a statement of economic interests under this act shall file an updated statement at the office of the commission every six months if there is any addition, deletion or change in his financial status with respect to which information is required to be supplied under this section; provided that, if the individual has filed with the commission the description by name, amount and schedule of payments of a continuing arrangement relating to an item required to be reported under this act, an updated statement need not be filed for each payment under such continuing arrangement, but only if the arrangement is terminated or altered.

Subd. 10. All persons presently serving in an office described in subdivision 1 shall file a statement of economic interests in accordance with the provisions of this act at the office of the commission within 60 days after the effective date of this act, and shall receive no compensation after such filing deadline until he files such statement.

Sec. 26. [ORGANIZATION OF POLITICAL COMMITTEES.] Subdivision 1. Every candidate shall designate and cause to be formed a single principal campaign committee.

Subd. 2. Every political committee shall have a chairman and a treasurer.

Subd. 3. No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer.

Subd. 4. A candidate may at any time, without cause, remove and replace the chairman, treasurer or any other officer, including any deputy treasurer, of the candidate's principal political committee.

Subd. 5. The candidate and members of his principal political committee specified on the statement of organization shall be responsible for complying with the provisions of this act.

Sec. 27. [DEPUTY TREASURERS AND DEPOSITORIES.] Subdivision 1. Any treasurer of a political committee may appoint as many deputy treasurers as deemed necessary provided however that the treasurer shall be responsible for the accounts of all deputy treasurers.

Subd. 2. Any treasurer of a political committee may designate not more than one depository in each county in which a campaign is conducted.

Sec. 28. [ACCOUNTS WHICH MUST BE KEPT.] Subdivision 1. It shall be the duty of a treasurer of a political committee to keep a detailed and exact account of:

(a) All contributions made to or for the committee;

(b) The full name and mailing address, if any, of any person making a contribution in excess of \$10, and the date and amount thereof;

(c) All expenditures made by or on behalf of the candidate or committee; and

(d) The full name and mailing address and occupation and the principal place of business, if any, of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

Any person violating any provision of this subdivision shall, upon conviction thereof, be guilty of a misdemeanor.

Subd. 2. It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in an amount in excess of \$100, and for any expenditure in a lesser amount, if the aggregate amount of lesser expenditures to the same person during a calendar year exceeds \$100. A cancelled check showing payment of a bill, together with the bill or invoice stating the purpose of the expenditure, shall be deemed to be a receipted bill. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of not less than six years.

Sec. 29. [REGISTRATION OF POLITICAL COMMITTEES.] Subdivision 1. The treasurer of a political committee shall register with the state ethics commission within five days of the date upon which the committee has received contributions or made expenditures or anticipates receiving contributions or making expenditures totaling \$100.

Subd. 2. The statement of organization shall include:

- (a) The name and address of the committee;
- (b) The names, addresses, and relationships of affiliated or connected organizations;
- (c) The geographic area in which it will operate and the purpose of the committee;
- (d) The name, address, and position of the custodian of books and accounts;
- (e) The name and address of the chairman and the treasurer, and the name and address of any other principal officers including deputy treasurers, if any;
- (f) The name, address, office sought, and party affiliation of (i) each candidate whom the committee is supporting, and (ii) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(g) A statement whether the committee is a continuing one;

(h) A listing of all depositories or safety deposit boxes used.

Subd. 3. Any change in information required in subdivision 2

shall be forwarded to the state ethics commission by the chairman or treasurer of the political committee within five days of the change.

Sec. 30. [CONTRIBUTIONS.] Subdivision 1. Anonymous contributions in excess of \$10 shall not be accepted by any committee or candidate. If the donor of any anonymous contribution in excess of \$10 is known to the committee or candidate, it shall be returned to the donor. If the donor is not known, the contribution shall escheat to the state and shall become part of and be added to the state elections campaign fund.

Subd. 2. All funds of a political committee shall be segregated from, and may not be commingled with any personal funds of officers, members, or associates of the committee.

Subd. 3. All funds received by or on behalf of any candidate or political committee shall within five days after the receipt thereof, Sundays and holidays excepted, be deposited by a treasurer or a deputy treasurer in a designated depository in an account designated, "campaign fund of . . . (name of committee)".

Subd. 4. No person shall make a contribution in the name of another person. No person shall knowingly accept a contribution made by one person in the name of another person.

Subd. 5. Any person violating any provisions of subdivisions 1 to 3 of this section shall, upon conviction thereof, be guilty of a misdemeanor. Any person violating any provision of subdivision 4 of this section shall, upon conviction thereof, be guilty of a gross misdemeanor.

Sec. 31. [EXPENDITURES.] Subdivision 1. All expenditures, other than the transfer of funds between political committees, must be authorized by the candidate or treasurer or deputy treasurer of the committee making the expenditure.

Subd. 2. The transfer of funds between political committees shall be authorized by the treasurer of the political committee making the transfer.

Subd. 3. Any person or political committee which spends an aggregate amount in excess of \$100 on behalf of a candidate must receive from the treasurer of that candidate's principal political committee a prior authorization and certification that the expenditures will not exceed the limits on expenditures imposed by this act.

Subd. 4. The treasurer or deputy treasurer of a political committee may make an authorization for petty cash in any reporting period in an amount of not more than \$30 per week for statewide races and \$20 per week in legislative races to be used for miscellaneous expenditures.

Subd. 5. Each authorization shall state the amount and purpose of the expenditure and shall be signed by the treasurer or deputy treasurer of the committee making the expenditure.

Subd. 6. Any person violating any provisions of subdivisions 1, 2, 3, and 4 of this section shall, upon conviction thereof, be guilty of a misdemeanor.

Sec. 32. [BILLS WHEN RENDERED AND PAID.] Subdivision 1. Every person who shall have any bill, charge or claim against any political committee for any expenditure made in relation to an election shall render in writing to the treasurer of such committee such bill, charge or claim within 30 days after the day of the election in connection with which such bill, charge or claim was incurred. No bill, charge, or claim incurred prior to the election shall be paid which is not so presented within 30 days after such election.

Subd. 2. The candidate, treasurer and deputy treasurer of any political committee shall be personally responsible for all obligations authorized by the candidate or treasurer or deputy treasurer.

Sec. 33. [REPORTS.] Subdivision 1. Every treasurer of a political committee shall file the reports required by this section if the committee receives contributions or makes expenditures on behalf of a candidate who stands for election in excess of \$100 in that calendar year.

Subd. 2. The reports shall be filed with the state ethics commission by midnight of the following dates:

(a) In years in which any candidate being supported does not stand for election:

- (1) January 7;
- (2) June 7.

(b) In years in which any candidate being supported does stand for election:

- (1) June 7;
- (2) August 7;
- (3) Five days before any primary election in which the candidate stands for election;
- (4) October 7;
- (5) Five days before any general election in which a candidate stands for election;
- (6) Thirty days after the last election in which he is a candidate in a calendar year.

(c) In special or special primary elections in which a candidate stands for election:

- (1) Thirty days before any special or special primary election;
- (2) Five days before any special or special primary election.

Subd. 3. Each report under this section shall disclose:

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

(b) The full name and mailing address and occupation and the principal place of business, if any, of each person who has made



one or more contributions to or for the committee including the purchase of tickets for dinners, luncheons, rallies, and similar fundraising events within the calendar year in an aggregate amount or value (i) in excess of \$100, if the contribution or contributions are made in support of candidates for statewide office; or (ii) in excess of \$25 if the contribution or contributions are made in support of candidates for legislative office; together with the amount and date of the contributions, and the aggregate amount of contributions within the calendar year of each contribution so disclosed. The lists of contributors shall be in alphabetical order;

(c) The total sum of individual contributions made to or for the committee during the reporting period and not reported under clause (b);

(d) The name and address of each political committee or candidate from which the reporting committee received, or to which that committee made, any transfer of funds, together with the amounts and dates of all transfers. The lists shall be in alphabetical order;

(e) Each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing address, occupations and the principal places of business, if any, of the lender or endorsers, if any, and the date and amount of the loans;

(f) The total amount of proceeds from (i) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (ii) mass collections made at such events; and (iii) sales of items such as campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(g) Each contribution, rebate, refund, or other receipt in excess of \$100 not otherwise listed under clauses (b) to (f);

(h) The total sum of all receipts by or for the committee during the reporting period;

(i) The full name and mailing address and occupation and the principal place of business, if any, of each person to whom expenditures have been made by the committee or on behalf of the committee within the calendar year in an aggregate amount or value in excess of \$100, the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made;

(j) The sum of individual expenditures which is not otherwise reported under (i);

(k) The full name and mailing address and occupation and the principal place of business, if any, of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date, and purpose of the expenditure;

(l) The sum of individual expenditures for personal services,

salaries and reimbursed expense which is not otherwise reported under (k);

(m) The total sum of expenditures made by the committee during the reporting period;

(n) The amount and nature of debts and obligations owed by or to the committee, in the form the ethics commission may prescribe and a continuous reporting of their debts and obligations after the election until the debts and obligations are extinguished.

(o) The name of each person or political committee which has been authorized by the treasurer to make expenditures on behalf of the candidate and the nature and amount of each authorized expenditure.

Subd. 4. The reports shall cover the time from the last day of the period covered by the last report to seven days prior to the filing date.

Subd. 5. In any statewide contest any contribution of \$1,000 or more or, in any legislative contest, any contributions of \$100 or more, which is not included in the last report prior to an election, shall be reported by telegram within 48 hours after its receipt and in the next required report.

Subd. 6. Every person, other than a political committee who makes expenditures other than by contribution to a political committee, in an aggregate amount in excess of \$100 within a calendar year shall file with the state ethics commission a statement containing the information required of a political committee or candidate. Statements required by this section shall be filed on the dates on which reports by political committees are filed.

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate or political committee during a period described in this act, the treasurer of the political committee shall file with the state ethics commission, at the time required by this act for the period, a statement to that effect. Each statement shall be signed and certified as true and correct by the political treasurer required to file it.

Sec. 34. [REPORTS TO COUNTY AUDITOR.] Subdivision 1. All reports or statements that must be filed with the elections commission by the principal campaign committee of legislative candidates shall also be filed with the county auditor.

Subd. 2. When a legislative district lies in more than one county, copies of the reports and statements referred to in subdivision 1, shall be filed with the county auditor of each county in which the legislative district lies.

Subd. 3. The copies of reports filed with the county auditor need not be verified copies.

Subd. 4. Such reports shall be available to the public in the manner prescribed by section 6, clause (e) and retained until six months after the election to which they refer.

Sec. 35. [INSPECTION AND SUMMARIES OF STATEMENTS.] Subdivision 1. In addition to the general examination specified in

section 11, the executive director of the commission shall prepare appropriate summaries as prescribed by this section.

Subd. 2. Summaries of statements filed with the commission shall be made available for public distribution on the 60th, 15th, and third calendar days before the election at which the candidates or measures are to be voted upon, and the 15th calendar day after such election, and as part of the commission's annual report provided for in section 4.

Subd. 3. Within three months after the date of each election, the executive director of the commission shall examine each statement filed with the commission under this act referring to the election, to determine whether the statement conforms to this act and to the truth. Such examinations shall include a comparison of all reports filed with the commission. The commission may require any person to answer in writing and under oath or affirmation any question concerning the source of any contribution. Failure to answer a question under oath or affirmation as required by this subdivision is a misdemeanor unless the answer is constitutionally privileged.

Sec. 36. [REQUIREMENTS RESPECTING REPORTS AND STATEMENTS.] Subdivision 1. A report or statement required by this act to be filed by a treasurer of a political committee, or by any other person, shall be signed and certified as true by the person required to file the report.

Subd. 2. A copy of a report or statement shall be preserved by the person filing it for a period of at least six years.

Subd. 3. Contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, such debts and other contracts, agreements and promises shall not be considered as part of the totals of receipts or expenditures until actual payment is made.

Subd. 4. Each contribution in kind shall be declared at fair market value and reported on the appropriate schedule of receipts, identified as to its nature and listed as "contribution in kind". The total amount of goods and services contributed in kind shall be deemed to have been consumed in the reporting period in which received. Each contribution in kind shall be declared as an expenditure at the same fair market value and reported on the appropriate expenditure schedule, identified as "contribution in kind".

Subd. 5. In determining the aggregate of a person's contributions, the treasurer shall list contributions from the same donor under the same name. In each instance when a contribution received from a person in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds \$100 in the case of a statewide candidate or exceeds \$25 in the case of a legislative candidate within the calendar year, the name, address, occupation, principal place of business, if any, of that contributor shall then be listed on the prescribed reporting forms. In addition, any subsequent contribution received from a contributor who has previously been reported within the

calendar year shall be listed on the prescribed reporting forms using the same name as previously reported.

Subd. 6. A political committee making an expenditure for or on behalf of more than one candidate for state or legislative shall allocate the expenditures among the candidates on a reasonable basis and report this allocation for each candidate. The treasurer shall retain for audit any documents supporting the allocation.

Subd. 7. Each person required to file any report or statement shall maintain records on the matters required to be reported, including vouchers, cancelled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information and date from which the filed reports and statements may be verified, explained, clarified and checked for accuracy and completeness, and he shall keep the records available for audit, inspection, or examination by the supervisory officer, or his authorized representatives, for a period of not less than six years from the date of filing of the reports or statements or of changes or corrections thereto. Any person violating any provisions of this subdivision shall, upon conviction thereof, be guilty of a misdemeanor.

Subd. 8. [OUT-OF-STATE COMMITTEES.] The treasurer of a political committee shall not accept a contribution of more than \$100 from a political committee not in this state unless the contribution is accompanied by a written statement, setting forth the full name and complete address of each person who contributed: (i) in excess of \$100, if the contribution or contributions are made in support of candidates for statewide office, (ii) in excess of \$25 if the contribution or contributions are made in support of candidates for legislative office.

Subd. 9. [FEDERAL REPORTS.] The secretary of state shall cause one certified copy of each report or statement filed with him under Section 309 of the Federal Campaign Communications Reform Act to be delivered to the commission within 24 hours of the time he receives such report or statement.

Subd. 10. Any person who signs and certifies to be true a report or statement which he knows contains inaccurate information shall be guilty of a felony.

Sec. 37. [CHANGES AND CORRECTIONS.] Any changes in information previously submitted in, and any corrections to a report shall be reported to the ethics commission within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall be reported by letter in the same manner as was the information previously submitted, shall identify the form and the paragraph containing the information to be changed or corrected.

Sec. 38. [DISSOLUTION OR TERMINATION.] No political committee shall dissolve until it has settled all of its debts and filed a termination report. The termination report shall include all information required in periodic reports plus a statement as to the disposition of any residual funds.

Sec. 39. [LIMITS.] Subdivision 1. For the purposes of this act, a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate and all expenditures made by or on behalf of the candidate for governor and all expenditures made by or on behalf of the candidate for lieutenant governor shall be considered to be expenditures by or on behalf of the candidate for governor.

Subd. 2. No expenditures shall be made and no obligations to make expenditures shall be incurred, by or on behalf of any candidate, which shall result in the aggregate expenditure on behalf of the candidate of an amount in excess of the amounts hereinafter set forth:

(a) For governor and lieutenant governor, running jointly, 15 cents per capita or \$600,000 whichever is greater;

(b) For attorney general, secretary of state, state treasurer and state auditor, separately, five cents per capita or \$200,000 whichever is greater;

(c) For state senator, 25 cents per capita or \$15,000 whichever is greater;

(d) For state representative, 25 cents per capita or \$7,500 whichever is greater.

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for the nomination to the office of lieutenant governor at the convention of a political party may spend \$30,000 or five percent of the amount in subdivision 2, clause (a), prior to the time of nomination. This money shall be in addition to the money which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. The period of time during which the limitation on expenditures, by or on behalf of any candidate, shall be in force, shall be the period commencing with that date on which the receipt of contributions or making of expenditures, in an aggregate amount, by or on behalf of the candidate, exceeds \$100. Any expenditure made following the effective date of this act and prior to the receipt of contributions or making of expenditures in the aggregate amount of \$100 shall be deemed to be expenditures within the limitation established for the office sought by the candidate.

Subd. 5. If a candidate in a primary election, wins the primary election, and his opponent or opponents in said election, between them receive more than 30 percent of the vote cast in that election, the winning candidate shall have added to the aggregate amount which may be expended by or on behalf of that candidate an amount equal to one sixth of the amount which may be spent by or on behalf of that candidate as set forth in subdivision 2 of this section or the amount actually expended by or on behalf of that candidate in the primary election whichever is less.

Subd. 6. For every year prior to, but not including, an election year in which he is on the ballot, a candidate shall have added to the aggregate amount which may be expended by or on behalf of that candidate an amount not to exceed 20 percent of the amount which may be spent

by or on behalf of that candidate as set forth in subdivision 2 of this section. Provided, however, that:

(a) The amount added to the aggregate amount set forth in subdivision 2 of this section, shall not exceed the amount actually expended by or on behalf of that candidate in any year;

(b) The additional amounts of expenditure allowed under this subdivision shall not be cumulative from year to year;

(c) In no event shall the amount expended by or on behalf of any candidate during an election year in which he is on the ballot exceed the amounts allowed under subdivisions 2 and 5 of this section and section 40, subdivision 2.

(d) Any expenditure charged against those amounts allowed by this subdivision, by or on behalf of any candidate, for goods and services that are used in whole or in part during an election year in which the candidate is on the ballot, shall be treated, at their fair market value in that election year, as expenditures in that election year.

Subd. 7. On or before January 31 of each election year, the state ethics commission shall determine and cause to be published generally the per capita amounts specified in subdivision 2. In determining the per capita amounts, the state ethics commission shall use:

(a) In the case of the elections for governor and lieutenant governor, attorney general, secretary of state, state treasurer and state auditor, the total population of the state;

(b) In the case of the elections for state senator, 1/67 of the total population of the state;

(c) In the case of elections for state representative, 1/134 of the total population of the state.

Subd. 8. On or before January 15 of each election year, the state department of health shall certify to the secretary of state the estimated total population of the state as of January 1 of that year.

Subd. 9. No person who has spent an aggregate amount in excess of \$100 on behalf of any candidate may make any additional charge or make an expenditure for any goods or services to be used by or on behalf of any candidate unless the treasurer of the principal political committee of that candidate certifies to the person that the payment will not violate the provisions of this act placing limits on the expenditures by or on behalf of any candidate.

Sec. 40. [TRANSFERS OF FUNDS.] Subdivision 1. A transfer of funds from any political committee other than a political party, to the principal political committee of a candidate shall not be considered to be an expenditure of funds on behalf of the candidate by the political committee.

Subd. 2. A transfer of funds from a political party to any political committee made for any purpose whatsoever and specifically not limited to influencing the nomination for election, or election, of any person to office is an expenditure by that political party.

Sec. 41. [ADDITIONAL LIMITATIONS.] Subdivision 1. No politi-

cal party shall make expenditures during any calendar year in an amount in excess of 15 cents per capita or \$600,000 whichever is greater.

Subd. 2. No political party or political committee except the principal political committee of a candidate shall make expenditures, other than a transfer of funds to the principal political committee of a candidate, in an amount in excess of ten percent of the amount that may be spent by or on behalf of that candidate as set forth in section 39.

Subd. 3. If a political party makes expenditures on behalf of any candidate directly and not by transfer to the principal political committee of the candidate on whose behalf the expenditures are being made, the expenditure shall be in addition to the aggregate amount that may be spent by or on behalf of that candidate as set forth in section 39.

Subd. 4. Expenditures by a political party on behalf of candidates of that party generally, without referring to any of them specifically, in any advertisement published or posted, on any broadcast or in any telephone conversation, if that conversation refers to three or more candidates, shall not be subject to the limitations of section 39, subdivisions 2 and 3.

Sec. 42. [PRICE ADJUSTMENT.] At the beginning of each calendar year beginning in 1975, the secretary of state shall obtain from the secretary of labor of the United States information as to the percentum difference between the national price index for the 12 months preceding the beginning of the calendar year, and the price index for the base period which shall be 1973. Each amount determined under sections 39, subdivision 2; and 41, subdivision 1, shall be increased by the percentum difference. Each amount so increased shall be the amount in effect for the calendar year. For the purpose of this subdivision, the term "price index" means the average over a calendar year of the consumer price index, all items, United States city average published monthly by the United States Bureau of Labor Statistics. In the event that there is a decline in the price index it shall not result in a reduction in the amounts determined under sections 39, subdivision 2; and 41, subdivision 1, and in any year after 1974 in which there is a decline in the price index the amounts in effect shall be those in effect or the preceding general election.

Sec. 43. [STATE ELECTIONS CAMPAIGN FUND.] Subdivision 1. There is hereby established an account, within the general fund of the state, to be known as the "state elections campaign fund".

Subd. 2. Within the state elections campaign fund account there shall be maintained separate accounts for the candidates of each political party, each minor party, and a general account.

Sec. 44. [DESIGNATION OF INCOME TAX PAYMENT.] Subdivision 1. Effective with the taxable years ending after December 31, 1972, every individual whose income tax liability after personal credit for any taxable year is \$1 or more may designate that \$1 shall be paid into the state elections campaign fund. In the case of a joint return of husband and wife having an income tax liability of \$2 or more, each spouse may designate that \$1 shall be paid.

Subd. 2. The taxpayer may designate that the \$1 be paid to the

account of a major political party, a minor party, or into the general account.

Subd. 3. The income tax form provided to taxpayers shall include:

(a) A section on the first page in legible type which shall say: "In order to promote financing of election campaigns by the people, the law allows you to allocate \$1 of your taxes to the financing of campaigns of candidates of the party of your choice for state offices. The dollar is not an additional tax. It is an allocation of \$1 of your tax to the state elections campaign fund. The allocation is voluntary".

(b) The form shall then contain a line stating: "I wish \$1 of my taxes to be distributed to state candidates", and shall then provide for boxes which may be marked designating one of the following: (i) each major political party listed in the sequence they are listed on the last general election ballot; (ii) a space for writing in the name of any minor party and (iii) distribution "to all qualifying candidates proportionately".

Subd. 4. All moneys designated by individual taxpayers for the state elections campaign fund shall be credited to the appropriate account in the general fund of the state and are annually appropriated for distribution as set forth in subdivisions 5, 6, and 7.

Subd. 5. The moneys accumulated in the several accounts of the state elections campaign fund, shall be allocated and distributed in the following manner: In each fiscal year, ten percent of the moneys in each account, except the general account, shall be distributed directly to the party of the candidates to be funded from that account. The distribution shall occur on September 1 of each year.

Subd. 6. Statewide offices. (a) In each fiscal year, 36 percent of the moneys in each account other than the general account, shall be set aside for candidates for statewide offices.

(b) Of the amount set aside, in clause (a), 40 percent shall be distributed to the candidates for governor and lieutenant governor jointly and as if one; and 24 percent shall be distributed to the candidates for attorney general and 12 percent each shall be distributed to the candidates for secretary of state, state treasurer and state auditor. If there is no nominee of that party, for one of the offices, the share set aside for that office shall be distributed to the other statewide candidates of that party in the same proportions as the original amount.

(c) Within two weeks of the certification by the state canvassing board, of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account, of the state elections fund to the appropriate candidates as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute 40 percent of the available funds in the general account in the same proportions as provided in clause (b), to each candidate who received at least five percent of the votes cast for the office for which he was a candidate.



Subd. 7. State senators. (a) In each fiscal year, 18 percent of the moneys in each account, other than the general account, shall be set aside for candidates for state senate.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state senate of that party.

(c) Within two weeks of the certification by the state canvassing board, of the results of the primary election, the state treasurer shall distribute available funds in each account other than the general account of the state elections fund to the appropriate candidates as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board, of the results of the general election, the state treasurer shall distribute 20 percent of the available funds in the general account in equal proportions to each candidate who received at least five percent of the votes cast for the office for which he was a candidate.

Subd. 8. State representatives. (a) In each fiscal year, 36 percent of the moneys in each account other than the general account shall be set aside for candidates for state representatives.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state representative of that party.

(c) Within two weeks of the certification of the state canvassing board, of the results of the primary election, the state treasurer shall distribute available funds in each account other than the general account to the appropriate candidates as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board; of the results of the general election, the state treasurer shall distribute 40 percent of the available funds in the general account in equal proportions to each candidate who received at least five percent of the votes cast for the office for which he was a candidate.

Sec. 45. Subdivision 1. No candidate shall be entitled to receive from the state elections campaign fund, an amount greater than the total amount of expenditures which may be made by or on behalf of the candidate under this act.

Subd. 2. No candidate shall be entitled to receive from the state election campaign fund, an amount greater than the total amount actually expended by or on behalf of the candidate.

Subd. 3. As a condition of receiving any funds from the state elections campaign fund, any candidate, prior to receipt of the funds, shall agree that his principal campaign committee shall not accept contributions exceeding 105 percent of the difference between the amount which may legally be expended by or on behalf of that candidate, and the amount which the candidate received from the state elections campaign fund.

Subd. 4. In any case in which a political party or minor party for whose candidate funds have been accumulated in the state elections campaign fund, does not have a candidate in any one or more of the categories in which the funds are allocated (statewide office, state

representative and state senator), the moneys which would be used for distribution to that category or categories shall be transferred to the general account.

Subd. 5. The state ethics commission shall prescribe the rules and regulations necessary to facilitate the distribution of moneys in the state election campaign fund.

Sec. 46. [CIRCUMVENTION PROHIBITED.] Any attempt by a person to circumvent disclosure as provided for in this act, by redirecting funds through another person is a gross misdemeanor.

Sec. 47. [REMEDIES.] Subdivision 1. A person charged with a duty under this act shall be personally liable for the penalty for failing to discharge it.

Subd. 2. A person who believes that a violation of this act has occurred shall report his belief to the state ethics committee.

Subd. 3. The state ethics commission, the attorney general, or the county attorney, may seek an injunction in the district court to enforce the provisions of this act.

Subd. 4. The district courts of this state shall have jurisdiction to issue injunctions to enforce the provisions of this act upon application by any citizen of this state.

Sec. 48. [PENALTIES.] Subdivision 1. Any person who violates the provisions of this act shall be guilty of a gross misdemeanor unless otherwise specified.

Subd. 2. The penalties prescribed in this act do not limit the power of either house of the legislature to discipline its own members or to impeach a public official, and do not limit the power of agencies or commissions to discipline officials or employees.

Sec. 49. [APPROPRIATION.] There is appropriated to the state ethics commission from the general fund \$. . . . . for carrying out the provisions of this act.

Sec. 50. Minnesota Statutes 1971, Sections 211.06; 211.16; 211.17; 211.20; 211.21; 211.22; 211.25; and 211.32, are repealed.

Sec. 51. This act shall be in effect October 1, 1973.

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

### RECONSIDERATION

Mr. Lewis moved that the vote whereby S. F. No. 1847 failed to pass the Senate on May 1, be now reconsidered. Which motion prevailed.

S. F. No. 1847: A bill for an act changing the name of the department of taxation to the department of revenue; amending Minnesota Statutes 1971, Section 270.02.

Was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Arnold	Doty	Larson	Olson, H. D.	Stokowski
Ashbach	Gearty	Laufenburger	Perpich, A. J.	Wegener
Bang	Hughes	Lewis	Perpich, G.	Willet
Borden	Humphrey	Lord	Pillsbury	
Chenoweth	Keefe, J.	Milton	Schaaf	
Chmielewski	Keefe, S.	Moe	Schrom	
Coleman	Kirchner	North	Solon	
Conzemius	Kleinbaum	Olhoff	Spear	

Those who voted in the negative were:

Anderson	Dunn	Jensen	Novak	Renneke
Berg	Fitzsimons	Josefson	Ogdahl	Sillers
Bernhagen	Frederick	Knutson	Olson, A. G.	Tenneessen
Blatz	Hansen, Baldy	Kowalczyk	Olson, J. L.	Ueland
Brown	Hansen, Mel	Krieger	O'Neill	
Davies	Hanson, R.	Nelson	Purfeerst	

So the bill passed and its title was agreed to.

### RECESS

Mr. Coleman moved that the Senate do now recess until 8:00 o'clock p.m. Which motion prevailed.

The hour of 8:00 o'clock p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

Mr. Perpich, A. J. imposed a call of the Senate.

The following Senators answered to their names:

Anderson	Fitzsimons	Kleinbaum	Olson, A. G.	Spear
Arnold	Frederick	Kowalczyk	Olson, J. L.	Stassen
Bang	Gearty	Larson	Patton	Stokowski
Berg	Hansen, Baldy	Laufenburger	Perpich, A. J.	Tenneessen
Bernhagen	Hansen, Mel	Lewis	Perpich, G.	Thorup
Brown	Hanson, R.	Lord	Pillsbury	Wegener
Chenoweth	Hughes	McCutcheon	Purfeerst	Willet
Chmielewski	Humphrey	Moe	Renneke	
Conzemius	Jensen	North	Schrom	
Doty	Keefe, S.	Ogdahl	Sillers	
Dunn	Kirchner	Olhoff	Solon	

The Sergeant-at-Arms was instructed to bring in the absent members.

### SUSPENSION OF RULES

Mr. Novak moved that an urgency be declared within the meaning of Article IV, Section 20, of the Constitution of Minnesota, with respect to H. F. No. 2275 and that the rules of the Senate be so far suspended as to give H. F. No. 2275 now on General Orders its third reading and placed on final passage. Which motion prevailed.

H. F. No. 2275: A bill for an act relating to the organization and operation of the state government; appropriating moneys therefor; permitting transfers in certain cases and limiting the use thereof, including appropriations for the departments of public welfare, corrections, health, commission on alcohol problems, board of examiners for nursing home administrators, public assistance programs, old age assistance, aid to dependent children, aid to the blind, aid to the disabled, and public relief; creating a welfare general assistance program and providing for the administration of welfare programs; providing penalties; amending Minnesota Statutes 1971, Sections 245.77; 261.04, Subdivision 1; 261.063; 275.09, Subdivision 3; 376.424; 393.01, Subdivision 3; 393.07, Subdivision 2; and 393.08, Subdivision 1; and repealing Minnesota Statutes 1971, Sections 245.46; 261.01; 261.02; 261.03; 261.05; 261.06; 261.061; 261.064; 261.065; 261.066; 261.067; 261.07; 216.08; 261.10; 261.11; 261.123; 261.124; 261.125; 261.126; 261.14; 261.141; 261.142; 261.143; 261.26; and 393.08, Subdivision 2.

Mr. Moe moved to amend H. F. No. 2275, the typewritten bill, as amended under Rule 49, and adopted by the Senate May 2, 1973, as follows:

Page 17, strike all of Section 5, and insert in lieu thereof a new Section 5 to read as follows:

**"Sec. 5. [DRUG AND ALCOHOL PROGRAMS.]**

(a) Commission on Alcohol Problems	65,222	65,022
(b) Alcohol and Drug Counselors— Dependency Education	200,000	
(c) Drug and Alcoholic Counselors	275,000	
(d) Detoxification Centers	1,700,000	
(e) Detoxification Grants	950,000	

Any unexpended balance remaining in (b), (c), (d) and (e) in the first year shall not cancel but shall be available for the second year of the biennium."

Which motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H. F. No. 2275, the typewritten bill, as amended under Rule 49 and adopted by the Senate, May 2, 1973, as follows:

Page 9, add a paragraph to the end of Subdivision 12 as follows:

"Notwithstanding any law to the contrary daytime activity centers for the retarded shall receive from the state an additional amount of \$250,000 during each year of the biennium."

**CALL OF THE SENATE**

Mr. Moe imposed a call of the Senate on the Knutson amendment.

The following Senators answered to their names:

Anderson	Davies	Keefe, S.	Nelson	Renneke
Arnold	Doty	Kirchner	North	Schaaf
Ashbach	Dunn	Kleinbaum	Novak	Schrom
Berg	Fitzsimons	Knutson	Ogdahl	Sillers
Bernhagen	Frederick	Kowalczyk	Olhoft	Solon
Blatz	Gearty	Krieger	Olson, H. D.	Spear
Borden	Hansen, Baldy	Larson	Olson, J. L.	Stassen
Brown	Hansen, Mel	Lewis	Patton	Stokowski
Chenoweth	Hanson, R.	Lord	Perpich, A. J.	Tennessee
Chmielewski	Hughes	McCutcheon	Perpich, G.	Thorup
Coleman	Humphrey	Milton	Pillsbury	Ueland
Conzemius	Jensen	Moe	Purfeerst	Wegener

The Sergeant-at-Arms was instructed to bring in the absent members.

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Josefson	McCutcheon	Sillers
Bang	Fitzsimons	Kirchner	Nelson	Stassen
Berg	Frederick	Knutson	Ogdahl	Ueland
Bernhagen	Hansen, Mel	Kowalczyk	Patton	
Blatz	Hanson, R.	Krieger	Pillsbury	
Brown	Jensen	Larson	Renneke	

Those who voted in the negative were:

Anderson	Doty	Lord	Perpich, A. J.	Tennessee
Arnold	Gearty	Milton	Perpich, G.	Thorup
Borden	Hansen, Baldy	Moe	Purfeerst	Wegener
Chenoweth	Hughes	North	Schaaf	Willet
Chmielewski	Humphrey	Novak	Schrom	
Coleman	Keefe, S.	Olhoft	Solon	
Conzemius	Kleinbaum	Olson, A. G.	Spear	
Davies	Lewis	Olson, H. D.	Stokowski	

Which motion did not prevail. So the amendment was not adopted.

**CALL OF THE SENATE**

Mr. Moe imposed a call of the Senate on H. F. No. 2275.

The following Senators answered to their names:

Anderson	Doty	Kirchner	North	Schaaf
Arnold	Dunn	Kleinbaum	Novak	Schrom
Ashbach	Fitzsimons	Knutson	Ogdahl	Sillers
Bang	Frederick	Kowalczyk	Olhoft	Solon
Berg	Gearty	Krieger	Olson, A. G.	Spear
Bernhagen	Hansen, Baldy	Larson	Olson, H. D.	Stassen
Blatz	Hansen, Mel	Laufenburger	Olson, J. L.	Stokowski
Borden	Hanson, R.	Lewis	Patton	Tennessee
Chenoweth	Hughes	Lord	Perpich, A. J.	Thorup
Chmielewski	Humphrey	McCutcheon	Perpich, G.	Ueland
Coleman	Jensen	Milton	Pillsbury	Wegener
Conzemius	Josefson	Moe	Purfeerst	Willet
Davies	Keefe, S.	Nelson	Renneke	

The Sergeant-at-Arms was instructed to bring in the absent members.

H. F. No. 2275 was read the third time, as amended, and placed on its final passage.

The question being taken on the passage of the bill, as amended,

Mr. Moe moved that those not voting be excused from voting. Which motion prevailed.

And the roll being called, there were yeas 62 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Novak	Sillers
Arnold	Fitzsimons	Knutson	Ogdahl	Solon
Ashbach	Frederick	Kowalczyk	Olhofft	Spear
Bang	Gearty	Krieger	Olson, A. G.	Stassen
Berg	Hansen, Baldy	Larson	Olson, H. D.	Stokowski
Blatz	Hansen, Mel	Laufenburger	Olson, J. L.	Tennessen
Borden	Hanson, R.	Lewis	Patton	Thorup
Chenoweth	Hughes	Lord	Perpich, A. J.	Ueland
Chmielewski	Humphrey	McCutcheon	Perpich, G.	Wegener
Coleman	Jensen	Milton	Pillsbury	Willet
Conzernius	Josefson	Moe	Purfeerst	
Davies	Keefe, S.	Nelson	Renneke	
Doty	Kirchner	North	Schrom	

Messrs. Bernhagen, Brown, and Schaaf voted in the negative.

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

### SUSPENSION OF RULES

Mr. Coleman moved that the rules of Senate be so far suspended as to revert to Reports of Committees, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

### REPORTS OF COMMITTEES APPOINTMENTS

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 308, pursuant to the request of the House,

Messrs. Gearty, Pillsbury, Schaaf, Milton, McCutcheon.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 2167, pursuant to the request of the Senate,

Messrs. Arnold; Willet; Ogdahl; Hansen, Mel; Doty.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 2166, pursuant to the request of the Senate,

Messrs. Arnold; Willet; Ogdahl; Hansen, Mel; Doty.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 733, pursuant to the request of the Senate,

Messrs. Purfeerst, Thorup, McCutcheon.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 488, pursuant to the request of the Senate,

Messrs. Doty, Conzemius, Kirchner.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 211, pursuant to the request of the Senate,

Messrs. Dunn, Chmielewski, Ueland, Lord, Kleinbaum.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 118, pursuant to the request of the Senate,

Messrs. Lewis, Borden, Bang.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

Mr. Davies, from the Committee on Committees, recommends

that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 160, pursuant to the request of the Senate,

Messrs. North, Keefe, S., Knutson.

Mr. Davies moved that the foregoing appointments be approved. Which motion prevailed.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Ashbach moved that the first sentence of Rule 77 be suspended for the remainder of the Session. Which motion prevailed.

### SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to take up the General Orders Calendar at this time, remaining on the Order of Business of Motions and Resolutions. Which motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Lord in the Chair.

After some time spent therein, the committee arose and the President having resumed the chair, Mr. Lord reported that the committee had considered

S. F. No. 1480, which the committee recommends to pass with the following amendments offered by Messrs. Humphrey and Stassen:

Mr. Brown requested that the Humphrey amendment be divided as follows:

First Portion: Page 1, line 19, before the period insert "*except meetings of the board of pardons, the adult corrections commission and the youth commission*"

Second Portion: Page 1, line 14, after "*department*" insert "*when required or permitted by law to transact public business in a meeting*"

Page 1, line 16, strike "or" and insert a comma

Page 1, line 17, after "*borough*" insert "*, or other public body,*"

Page 1, line 29, after the period insert "*This section shall not apply to any state agency, board, commission, or other governing body when exercising quasi-judicial functions involving disciplinary proceedings.*"

Page 2, line 1, strike "*the*" and insert "*an*"

Page 2, line 1, after "*amount*" strike "*of*" and insert "*not to exceed*"



Page 2, line 1, after "\$100" and before the period insert "for a single occurrence"

Mr. Stassen moved to amend S. F. No. 1480, as follows:

Page 1, line 26, after "public" insert "during all normal business hours where such records are kept"

Mr. Nelson moved to amend S. F. No. 1480 as follows:

Page 2, after line 18, insert:

"Sec. 2. For purposes of this act, the term "public" includes representatives of the news media."

Renumber the remaining sections in sequence

The question being taken on adoption of the amendment of Mr. Nelson,

And the roll being called, there were yeas 20 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Blatz	Josefson	Nelson	Renneke
Bang	Dunn	Kirchner	Olson, J. L.	Sillers
Berg	Frederick	Knutson	Patton	Stassen
Bernhagen	Hansen, Mel	Kowalczyk	Pillsbury	Ueland

Those who voted in the negative were:

Anderson	Hansen, Baldy	Larson	Olhoff	Schrom
Arnold	Hanson, R.	Lewis	Olson, A. G.	Solon
Borden	Hughes	Milton	Olson, H. D.	Spear
Chmielewski	Humphrey	Moe	Perpich, A. J.	Stokowski
Coleman	Keefe, S.	North	Perpich, G.	Tennessen
Conzemius	Kleinbaum	Novak	Purfeerst	Willet
Doty	Krieger	Ogdahl	Schaaf	

Which motion did not prevail. So the amendment was not adopted.

Mr. Brown moved to amend S. F. No. 1480, as follows:

Page 1, line 12, strike "by"

Page 1, line 13, strike "statute" and insert "in this section"

Page 1, line 13, after "of" insert "the state senate, the house of representatives, any commission, committee, subcommittee, or conference committee of the legislature,"

Page 1, line 21, after "such" insert "legislative body,"

Page 1, after line 29, add:

"Subd. 2. The only exception to this open meeting law is the following: A hearing related to the discipline or dismissal of an employee which can be closed at the request of that employee."

Renumber the subsequent subdivision

Page 2, line 4, after "located." insert "Except in the case of a legislator,"

Page 2, line 18, after the period insert "Upon a third violation by a

*legislator, the ethics committee of the house of which that person is a member must initiate expulsion proceedings against that person."*

Page 2, line 23, strike "May" and insert "January"

The question being taken on adoption of the amendment,

And the roll being called, there were yeas 27 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kirchner	Nelson	Sillers
Bang	Fitzsimons	Knutson	North	Stassen
Berg	Frederick	Kowalczyk	Olson, J. L.	Ueland
Bernhagen	Hansen, Mel	Krieger	Patton	
Blatz	Hanson, R.	Larson	Pillsbury	
Brown	Josefson	McCutcheon	Renneke	

Those who voted in the negative were:

Anderson	Gearty	Milton	Perpich, A. J.	Stokowski
Arnold	Hansen, Baldy	Moe	Perpich, G.	Tennessen
Borden	Hughes	Novak	Purfeerst	Thorup
Chmielewski	Humphrey	Ogdahl	Schaaf	Willet
Coleman	Keefe, S.	Olhoft	Schrom	
Conzemius	Kleinbaum	Olson, A. G.	Solon	
Davies	Laufenburger	Olson, H. D.	Spear	

Which motion did not prevail. So the amendment was not adopted.

The question being taken on committee recommendation,

And the roll being called, there were yeas 51 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Fitzsimons	Kowalczyk	Ogdahl	Solon
Arnold	Gearty	Larson	Olhoft	Spear
Berg	Hansen, Baldy	Laufenburger	Olson, A. G.	Stassen
Borden	Hansen, Mel	Lewis	Olson, H. D.	Stokowski
Brown	Hanson, R.	Lord	Olson, J. L.	Tennessen
Chenoweth	Hughes	McCutcheon	Perpich, A. J.	Thorup
Chmielewski	Humphrey	Milton	Perpich, G.	Willet
Coleman	Josefson	Moe	Pillsbury	
Conzemius	Keefe, S.	Nelson	Purfeerst	
Doty	Kirchner	North	Schaaf	
Dunn	Kleinbaum	Novak	Schrom	

Those who voted in the negative were:

Bernhagen	Jensen	Patton	Sillers	Ueland
Frederick	Knutson	Renneke		

Which motion prevailed. So the committee recommends S. F. No. 1480 to pass as amended.

And then, on motion of Mr. Lord, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 12:00 o'clock noon, Thursday, May 3, 1973. Which motion prevailed.

Patrick E. Flahaven, Secretary of the Senate.