

## FORTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, May 6, 1975

The Senate met at 5:00 o'clock p.m. and was called to order by the President.

### CALL OF THE SENATE

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

Arnold	Doty	Humphrey	North	Purfeerst
Ashbach	Dunn	Josefson	Ogdahl	Renneke
Berg	Fitzsimons	Keefe, S.	Olhoft	Schmitz
Bernhagen	Frederick	Kirchner	Olson, A. G.	Stassen
Borden	Gearty	Larson	Olson, J. L.	Stumpf
Brown	Hansen, Baldy	Laufenburger	O'Neill	Tennessen
Coleman	Hansen, Mel	Lewis	Perpich, A. J.	Ueland
Conzemius	Hanson, R.	Milton	Perpich, G.	Willet
Davies	Hughes	Moe	Pillsbury	

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

Prayer was offered by the Chaplain, Rev. Myron E. Nysether.

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

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

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Jensen, Kleinbaum, Kowalczyk and Patton were excused from the Session of today.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

The Honorable Alec G. Olson  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1975 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1975	Date Filed 1975
	31	51	April 30	May 1
	51	52	April 30	May 1
	87	53	April 30	May 1
	111	54	April 30	May 1
	138	55	April 30	May 1
	202	56	April 30	May 1
	203	57	April 30	May 1
	241	58	April 30	May 1
	286	59	April 30	May 1
	319	60	April 30	May 1
	412	61	April 30	May 1
	641	62	April 30	May 1
	648	63	April 30	May 1
	740	64	April 30	May 1
	923	65	April 30	May 1
	1093	66	April 30	May 1
286		67	April 30	May 1
312		68	April 30	May 1
343		69	April 30	May 1
396		70	April 30	May 1
422		71	April 30	May 1
456		72	April 30	May 1
524		73	April 30	May 1
587		74	April 30	May 1
588		75	April 30	May 1
645		76	April 30	May 1
679		77	April 30	May 1
730		78	April 30	May 1
764		79	April 30	May 1
997		80	April 30	May 1

Sincerely,

Joan Anderson Growe  
Secretary of State

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

The Honorable Alec G. Olson  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1975 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1975	Date Filed 1975
	114	81	May 2	May 2
	130	82	May 2	May 2
	594	83	May 2	May 2
	967	84	May 2	May 2
	988	85	May 2	May 2
	1465	86	May 2	May 2
543		87	May 2	May 2
649		88	May 2	May 2
690		89	May 2	May 2
820		90	May 2	May 2

Sincerely,

Joan Anderson Growe  
Secretary of State

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Schaaf; Keefe, S. and Olhoft introduced—

S. F. No. 1727: A bill for an act relating to elections; defining political parties; providing for placement of candidates' names on the state white ballot and certain city ballots; providing for arrangement of the ballot on mechanical voting machines; appropriating money; amending Minnesota Statutes 1974, Sections 200.02, Subdivision 7; 206.07, Subdivision 1, and by adding a subdivision; 205.17, Subdivision 2; Laws 1975, Chapter 5, Sections 43, Subdivision 2; and 55, Subdivision 4; repealing Laws 1975, Chapter 5, Section 43, Subdivision 4.

Referred to the Committee on Transportation and General Legislation.

Messrs. Keefe, S. and Schaaf introduced—

S. F. No. 1728: A bill for an act relating to courts; providing for recovery of attorney's fees in certain situations.

Referred to the Committee on Judiciary.

Mr. Keefe, S. introduced—

S. F. No. 1729: A bill for an act relating to metropolitan govern-

ment; providing for election of council members; amending Minnesota Statutes 1974, Section 473B.02, Subdivision 2, and by adding subdivisions.

Referred to the Committee on Metropolitan and Urban Affairs.

Mr. Olhoft introduced—

S. F. No. 1730: A bill for an act relating to fair labor standards; excluding conservation officers from the operation of certain laws; amending Minnesota Statutes 1974, Section 177.23, Subdivision 7.

Referred to the Committee on Governmental Operations.

Mr. Olhoft introduced—

S. F. No. 1731: A bill for an act relating to real estate; placing restrictions on who may acquire title; providing enforcement powers; providing penalty; amending Minnesota Statutes 1974, Section 500.22.

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. 115 and 1101.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1975

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. 476: A bill for an act relating to pensions; invalidating provisions limiting pension or profit sharing rights if the employee joins a competing employer; amending Minnesota Statutes 1974, Chapter 181B, by adding a section.

Senate File No. 476 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1975

Mr. Stokowski moved that S. F. No. 476 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendment to House File No. 235.

H. F. No. 235: A bill for an act relating to operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; changing the funding of post-secondary vocational-technical education and of education of handicapped children to a current funding basis; providing for changes in the maximum effort school aid law; granting certain powers and duties to school districts and the state board of education; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, Subdivision 1; 121.21, Subdivisions 2, 4, and 6; 121.89; 124.04; 124.11; 124.17, Subdivisions 1 and 2; 124.18, Subdivision 2; 124.20; 124.212, Subdivisions 1, 3a, 8a, and 11, and by adding subdivisions; 124.215, by adding a subdivision; 124.222, Subdivisions 2 and 3, and by adding subdivisions; 124.223; 124.28, Subdivision 2; 124.32, Subdivision 1, and by adding a subdivision; 124.38, Subdivisions 4, 5, 6, and 7; 124.42, Subdivisions 1, 2, and 4; 124.43, Subdivisions 1, 2, 3, and 4; 124.45; 124.57; 275.125, Subdivisions 2a and 3, and by adding subdivisions; 475.54, Subdivision 2; Chapter 124, by adding sections; Laws 1967, Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 2, as amended; Laws 1969, Chapter 1060, Section 7; Laws 1971, Chapter 722, Section 1; and Laws 1974, Chapter 521, Section 9; repealing Minnesota Statutes 1974, Sections 121.21, Subdivisions 5, 7, 9, and 10; 121.211; 124.212, Subdivisions 6a and 7a; 124.215, Subdivision 2a; 124.222, Subdivision 1; 124.25; 124.30; 124.475; 124.50; 124.801; 124.802; 124.803; 124.804; 124.805; 124.806; and Laws 1969, Chapters 945, Section 3; 1060, Section 8; and Laws 1975, Chapter 13, Sections 110 and 111.

And the House respectfully requests that a Conference Committee of five members be appointed thereon: Graba; Johnson, C.; Adams, S.; Berg and Vento have been appointed as such committee on the part of the House.

House File No. 235 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 5, 1975

Mr. Anderson moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 235, and that a Conference Committee of 5 members be appointed by the Committee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 72, and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 72: A bill for an act relating to elections; permitting the use of a petition in lieu of filing fees; amending Laws 1975, Chapter 5, Section 15, by adding a subdivision.

Senate File No. 72 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 6, 1975

Mr. President:

I have the honor to announce that the House wishes to recall for the purpose of further consideration Senate File No. 1183.

S. F. No. 1183: A bill for an act relating to motor vehicles; powers of the registrar of motor vehicles; providing that a county or city officer appointed as a deputy registrar need not give bond to the state; amending Minnesota Statutes 1974, Section 168.33, Subdivision 2.

Edward A. Burdick, Chief Clerk, House of Representatives  
May 6, 1975

Mr. Bernhagen moved that S. F. No. 1183 be recalled from the Governor and returned to the House for further consideration. The 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. 1290: A bill for an act relating to licensing and registration of architects, professional engineers and land surveyors; amending Minnesota Statutes 1974, Sections 326.07; 326.09; 326.10; 326.11, Subdivisions 1, 2, and 4; 326.13; and 326.14.

Senate File No. 1290 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned May 6, 1975

Mr. Laufenburger moved that S. F. No. 1290 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 184, 474, 525, 925, 999, 1050 and 1009.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 5, 1975

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 332 and 1488.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1975

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 184: A bill for an act relating to education; providing for a reduction of state aid to school districts permitting violation of state laws prohibiting discrimination; directing the filing of assurances of compliance with state and federal law; amending Minnesota Statutes 1974, Section 124.15, Subdivisions 2 and 3, and by adding a subdivision.

Referred to the Committee on Rules and Administration.

H. F. No. 474: A bill for an act relating to taxation; denying tax deductions relating to substandard rental housing; amending Minnesota Statutes 1974, Chapter 290, by adding a section; Sections 290.01, Subdivision 20; and 290.12, Subdivision 2.

Referred to the Committee on Rules and Administration.

H. F. No. 525: A bill for an act relating to state government; creating a department of transportation; prescribing its duties and responsibilities; transferring the functions of some state departments; appropriating money; amending Minnesota Statutes 1974, Sections 43.09, Subdivision 2a; and 360.017, Subdivision 1; repealing Minnesota Statutes 1974, Sections 4.20; 161.03; and 360.014.

Referred to the Committee on Governmental Operations.

H. F. No. 925: A bill for an act relating to natural resources, monuments, recreation reserves, and waysides; increasing motor vehicle permit fees; amending Minnesota Statutes 1974, Section 85.05, Subdivision 2.

Referred to the Committee on Rules and Administration.

H. F. No. 999: A bill for an act relating to state banks; authorizing state banks to take second liens on real estate; amending Minnesota Statutes 1974, Section 48.19, Subdivision 1, and by adding a subdivision; and repealing Minnesota Statutes 1974, Section 48.19, Subdivision 3.

Referred to the Committee on Rules and Administration.

H. F. No. 1050: A bill for an act relating to real estate; placing restrictions on who may acquire title; providing enforcement powers; providing penalty; amending Minnesota Statutes 1974, Chapter 500,

by adding a section; repealing Minnesota Statutes 1974, Section 500.22.

Referred to the Committee on Rules and Administration.

H. F. No. 1009: A bill for an act relating to health and welfare; providing for increasing service levels under the nutrition for the elderly program; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 332: A bill for an act relating to taxation; providing for filing and disclosure requirements for certain tax exempt property; providing a penalty; amending Minnesota Statutes 1974, Section 272.02, Subdivision 1; and Chapter 272, by adding a section.

Referred to the Committee on Rules and Administration.

H. F. No. 1488: A bill for an act relating to education; school districts; authorizing the leasing of schoolhouses; providing for termination of tax exempt status of schoolhouses leased for nonpublic purposes; amending Minnesota Statutes 1974, Sections 123.36, by adding a subdivision; and 272.02, Subdivision 2.

Referred to the Committee on Rules and Administration.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk, with the exception of the report on S. F. No. 1508 be now adopted. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1508: A bill for an act relating to courts and particularly to courts in Ramsey county; providing for fees and charges; providing for changes in the office of the court commissioner, in the office of the public defender, and in the composition of law library trustees; amending Minnesota Statutes 1974, Sections 140.21; 140.24, Subdivision 1; 260.311, by adding a subdivision; 486.06; 489.04; and 508.74, Subdivision 2; repealing Laws 1923, Chapter 77, Section 10, as amended; and Laws 1969, Chapter 838, Sections 1 to 6, as amended.

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

Page 3, strike all of section 5

Page 4, line 7, strike "*The president of the Ramsey county bar association,*"

Page 4, strike lines 8 to 9 and insert:

*"One member learned in the law appointed by the chief judge of the second judicial district."*



Page 4, line 24, before "*The*" insert "*When it appears to the court that the person to be represented is unable, by reason of poverty, to procure counsel,*"

Page 5, line 1, strike "*, when it*" and insert a period

Page 5, strike lines 2 to 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, strike "and particularly to courts"

Page 1, line 9, strike "and"

Page 1, line 10, strike "508.74, Subdivision 2;"

And when so amended the bill do pass. Pursuant to Joint Rule 20, the bill was re-referred to the Committee on Rules and Administration.

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

H. F. No. 1494: A bill for an act relating to insurance; providing for use of life insurance mortality tables and interest rates by fraternal beneficiary associations; amending Minnesota Statutes 1974, Sections 64A.21; 64A.24, Subdivision 1; 64A.25, Subdivision 4.

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

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

H. F. No. 503: A bill for an act relating to game and fish; prohibiting use of certain sonic equipment; amending Minnesota Statutes 1974, Section 101.42, by adding subdivisions.

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

Page 1, line 8, strike "subdivisions" and insert "a subdivision"

Page 1, line 9, after "21." insert "*Until July 1, 1976,*"

Page 1, strike lines 15 through 19

Page 1, after line 14 insert:

"Sec. 2. *This act is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 5, strike "subdivisions" and insert "a subdivision"

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. 661: A bill for an act relating to labor; occupational safety and health; defining terms; requiring minimum posting time of citations; enforcement; notice to employee representative; amending Minnesota Statutes 1974, Sections 182.651, Subdivision 12; 182.66, Subdivision 2; and 182.661, Subdivisions 1 and 3.

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. 1: A bill for an act relating to employment services; unemployment compensation; defining unemployment and wages; eliminating seasonal employment; eliminating collection of contributions of less than \$1; experience rating; deleting obsolete language; joint account; establishing a weekly maximum for benefits; charging of benefits to an employer not a party to a strike; payment of benefits to an employee who refuses to accept reemployment during a strike; appeals; notice of hearing; increasing fees of appeal tribunal members and of advisory council members; benefits paid through error or fraud; records; amending Minnesota Statutes 1974, Sections 268.04, Subdivisions 10, 12, 23, 25 and 26; 268.06, Subdivisions 1, 6, 21 and 22, and by adding a subdivision; 268.07, Subdivision 2; 268.071, Subdivision 1; 268.08, Subdivisions 1, 3, and 5; 268.09, Subdivision 1; 268.10, Subdivisions 2, 4 and 5; 268.12, Subdivisions 6, 8 and 13; 268.16, Subdivision 1, and by adding a subdivision; 268.18, by adding a subdivision; and repealing Minnesota Statutes 1974, Section 268.07, Subdivision 5.

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

Page 19, strike new language in lines 1 to 3

Page 19, line 9, after "exceeds" insert "*the lesser of \$6,500 or*"

Page 21, strike new language in lines 24 to 26

Page 24, strike lines 6 to 21, and insert:

"Sec. 8. Minnesota Statutes 1974, Section 268.06, Subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.]  
For the year ~~1974~~ 1976 and for each calendar year thereafter the commissioner shall determine the contribution rate of each employer by adding the ~~experience ratio to the minimum rate~~ *minimum rate to the experience ratio, except that if the ratio for the current calendar year exceeds the experience ratio for the preceding calendar year by more than one and one half percentage points, the increase for the current year shall be limited to one and one half percentage points.* The minimum rate for all employers shall be nine tenths of one percent if the amount in the unemployment compensation fund is less than \$90,000,000 on June 30 of the preceding

calendar year; or eight tenths of one percent if the fund is more than \$90,000,000 but less than \$110,000,000; or seven tenths of one percent if the fund is more than \$110,000,000 but less than \$130,000,000; or six tenths of one percent if the fund is more than \$130,000,000 but less than \$150,000,000; or five tenths of one percent if the fund is more than \$150,000,000 but less than \$170,000,000; or three tenths of one percent if the fund is more than \$170,000,000 but less than \$200,000,000; or one tenth of one percent if the fund is \$200,000,000 or more; provided that no employer shall have a contribution rate of more than five percent *except that in the case of an employer whose experience ratio in each of the immediately preceding three calendar years was in excess of five percent, the maximum contribution rate shall be six percent.*"

Page 27, line 6, strike "50 percent" and insert "60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder"

Page 27, line 8, after the stricken "\$85" insert "\$100"

Page 27, line 8, reinsert the stricken "per"

Page 27, line 9, reinsert the stricken language

Page 27, strike the new language in lines 9 to 27

Page 32, strike lines 12 to 32

Page 33, strike lines 1 to 32

Page 34, strike lines 1 to 28

Page 35, line 19, strike "*, or a political subdivision for service with*"

Page 35, line 20, strike "*respect to a school,*"

Page 55, strike lines 2 to 8 and insert:

"Sec. 25. *Sections 2 and 13 of this act shall become effective on July 1, 1977.*"

Renumber sections in sequence

Amend the title as follows:

Page 1, line 2, strike "unemployment"

Page 1, line 3, strike "compensation;"

Page 1, line 3, after "defining" insert "employment,"

Page 1, line 4, after "employment;" insert "determination of contribution rates;"

Page 1, line 5, after "\$1;" insert "eliminating consideration of delinquent reports in determining"

Page 1, line 8, after "benefits;" insert "benefits for private school employees;"

Page 1, line 9, after "strike;" insert "permitting"

Page 1, line 11, after "strike;" insert "modifying"

Page 1, line 11, after "appeals" insert "procedures"

Page 1, line 11, strike "notice of hearings;"

Page 1, line 13, strike "benefits paid through error or"

Page 1, line 14, strike "fraud;" and insert "shortening the time required for the keeping of"

Page 1, line 16, after "6," strike "21" and insert "8"

Page 1, line 18, strike "Subdivisions 1, 3," and insert "Subdivision"

Page 1, line 19, strike "and"

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 re-referred

H. F. No. 1674: A bill for an act relating to taxation; providing state relief to homeowners and renters for extraordinary property tax burdens; prohibiting certain escrow arrangements for tax payments; requiring interest payment on money received for payment of real estate taxes and insurance coverage; increasing market value of homesteads eligible for lower rate of assessment; providing for a four year rotation for reassessment of real property with increases in assessed valuation to be made in equal increments over the four year period; increasing and changing the calculation of local government aid to be paid for extended period; distributing certain gross earnings taxes to local governments; redefining special levies; altering means of calculation of property tax levy limitations for governmental subdivisions; providing for increases in levy limit bases of governmental subdivisions; exempting certain governmental subdivisions from levy limits; providing for reimbursement by the state to taxing districts for tax reduction granted to certain property; increasing the taconite production tax; creating a northeast Minnesota economic development and environment council; creating a northeast Minnesota economic protection fund; imposing a surtax on taconite producers which fail to meet standards for disposal of waste; creating a budget protection fund to hold excess money from the general fund and providing for transfers of money from that fund; exempting federal income tax rebates from state income taxation; modifying duties of the tax study commission; requiring payment of interest by corporations on unpaid estimated taxes; providing penalties; appropriating money; amending Minnesota Statutes 1974, Sections 270.16; 273.01; 273.011, Subdivision 6; 273.012, by adding a subdivision; 273.03, Subdivision 1; 273.061, by adding a subdivision; 273.08; 273.11, Subdivisions 1, 2 and 5, and by adding a subdivision; 273.121; 273.13, Subdivisions 6 and 7; 273.135, Subdivision 2; 273.17, Subdivision 1; 275.50, Subdivision 5; 275.51, Subdivisions 1 and 4, and by adding subdivisions; 275.52, by adding a subdivision; 275.53, Subdivision 3; 275.59; 276.01; 276.04;

294.26; 298.03; 298.24, Subdivision 1; 298.27; 298.28, Subdivisions 1 and 1a, and by adding a subdivision; 298.282, Subdivisions 1 and 2; 477A.01, Subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, and 16; Chapters 273, by adding sections; and 477A by adding a section; and Laws 1973, Chapter 601, Section 1, Subdivisions 2 and 8; repealing Minnesota Statutes 1974, Sections 273.11, Subdivision 3; 273.13, Subdivisions 14a, 15a, and 18; 275.51, Subdivisions 3 and 3a; 298.24, Subdivision 2; 298.241; 298.242; 298.281; 298.32; and 477A.01, Subdivision 13.

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

Strike everything after the enacting clause and insert:

### *“ARTICLE I*

Section 1. Minnesota Statutes 1974, Section 124.03, Subdivision 2, is amended to read:

Subd. 2. The limitation imposed on the tax ratio by this section does not apply to the additional tax levy for maintenance made in excess of either of the following amounts:

(a) In any district formed under the reorganization or consolidation statutes or having an area of at least 18 sections or having acquired the rights and privileges of a consolidated district: The total amount of revenue available to the district, including state aid, that will be raised by a  $5.553\frac{1}{3}$  20 mill levy on all taxable property other than agricultural land, and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, together with the proceeds from the maximum levy on agricultural land and personal property having a taxable situs on farms and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes; and

(b) In any district not included in (a): The total amount of revenue available to the district, including state aid, that will be raised by a  $4.44\frac{1}{3}$  16 mill levy on all taxable property other than agricultural land, and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, together with the proceeds from the maximum levy on agricultural land and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes.

Sec. 2. Minnesota Statutes 1974, Section 124.03, Subdivision 3, as amended by Laws 1975, Chapter 46, Section 1, is amended to read:

Subd. 3. (a) The county auditor shall compute the tax levy that would be produced by applying a rate of 8.3 ten mills on the January 2, 1972 1975 assessment and subsequent assessments on all the agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but

not devoted to commercial purposes, within the several school districts for which the tax levy is required to be certified to him. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue by November 15 of each year for verification.

(b) If the commissioner of revenue agrees with the computation, he shall deliver to the commissioner of finance his certificate to that effect. In the event that the commissioner deems the computation to be erroneous, he may make the necessary corrections and deliver to the commissioner of finance his certificate reflecting the amounts he deems to be correct. The county auditor or any school district aggrieved thereby may appeal the commissioner's revised certification to the Minnesota tax court in accordance with chapter 271.

(c) For the year 1975 and subsequent years, the commissioner of revenue shall pay to the school district the amount certified by the commissioner to be due to the district. One half of the amount due shall be paid on or before July 15, but no earlier than July 1, and the remainder shall be paid on or before November 15.

(d) In the event that a final judicial determination is not in agreement with the amount certified by the commissioner, the commissioner of revenue shall either increase or decrease the amount of the following payment required to be made to the school district in accordance with such judicial determination.

(e) There is hereby appropriated to the school districts entitled to such payments from the general fund, an amount sufficient to make the payments.

(f) The county auditor shall reduce the dollars levied for school maintenance by each district by the amount determined in (a) and (b). The amounts paid to the county treasurer pursuant to (c) shall be transmitted by the county treasurer to the school district at the same time the real estate settlement is made.

Sec. 3. [APPROPRIATION.] *A sum sufficient to discharge the duties imposed by this article is annually appropriated from the general fund to the commissioner of revenue.*

## ARTICLE II

Section 1. Minnesota Statutes 1974, Section 256.01, Subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of Minnesota Statutes 1967, Section 241.021, Subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and such other welfare activities or services as may from time to time be vested in the commissioner. Nothing herein shall transfer from the veterans home board any of its present rights, powers, or duties, all of which shall continue to be exercised by said board.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting defective, illegitimate, dependent, neglected and delinquent children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons, including the blind, the deaf, the tuberculous, the crippled, and otherwise handicapped persons. The authority and power conferred by this subdivision shall include the authority and power to provide and contract for the care and treatment of qualified indigent children, as defined in section 250.02, in facilities other than those located and available at state hospitals when it is not feasible to provide ~~such~~ *the* service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431 ; ~~including the establishment of an efficient working relationship with the director of institutions relating to the care and supervision of individuals both prior to and after departure from institutions under the supervision of said director of institutions .~~

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules and regulations making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain ~~such~~ *any* administrative units as ~~may~~ reasonably be necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise ~~such~~ *any* additional welfare activities and services as may, from time to time, hereafter be vested by law in the state department.

(8) The commissioner is hereby specifically constituted as guardian of both the estate and the person of all the wards of the state of Minnesota and other persons the guardianship of whom has been heretofore vested in the state board of control, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as feebleminded or epileptic. All of said guardianships, and the funds and property of the same, are hereby transferred to and vested in said commissioner, and said commissioner is hereby constituted a

legal entity and is hereby empowered to act as guardian under any laws of this state heretofore conferring such powers upon the state board of control.

(9) All the powers and duties vested in or imposed upon the director of public institutions with reference to the Minnesota state sanatorium are hereby transferred to, vested in, and imposed upon the commissioner of public welfare. The commissioner of public welfare shall appoint the superintendent of the Minnesota state sanatorium, but shall not have the power to fix his salary.

(10) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(11) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(12) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by ~~county welfare boards~~ for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under the medical assistance program.

(13) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the Secretary of the Senate and Chief Clerk of the House of Representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory committee and filed with the commissioner of administration.

(14) In accordance with federal requirements establish procedures to be followed by ~~county~~ local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.



(15) *Promulgate, by rule and regulation, standards of administration to be applied by local welfare boards administering state and county financed programs of aid to families with dependent children, medical assistance, general assistance, and supplemental assistance.*

*The rules and regulations shall specify a uniform standard of performance and a tolerated error rate, but shall not specify the minimum number of personnel to be employed by a local agency if the agency operates at the specified standard of performance or at or below the tolerated error rate. The commissioner may deduct from the earned administrative reimbursements of a county a penalty for the county's failure to comply with the standards of administration. The penalty shall be fixed by the commissioner as a percentage of the overexpenditure caused by improper administration, beyond an initial tolerated amount of overexpenditure. In the event that fiscal sanctions are imposed by the federal government because of improper administration of the programs, one half of the amount of the sanctions attributable to local agency performance shall be deducted from administrative reimbursement otherwise due the county.*

(16) *Develop a quality assurance monitoring plan for the programs of general assistance and supplemental assistance.*

(17) *Develop a plan and report to the legislature during its 1976 session on methods by which the payment and administration of all income maintenance programs could be assumed by the state department of public welfare.*

Sec. 2. Minnesota Statutes 1974, Section 256.72, is amended to read:

256.72 [DUTIES OF LOCAL AGENCIES.] ~~The county~~ local agencies shall:

(1) Administer the provisions of sections 256.72 to 256.87 in the respective counties subject to the rules and regulations prescribed by the ~~state agency commissioner~~ pursuant to the provisions of those sections;

(2) Report to the state agency at ~~such the~~ times and in ~~such the~~ manner and form as the ~~state agency commissioner~~ may from time to time direct; and

(3) Submit quarterly and annually to the county board of commissioners a budget containing an estimate and supporting data setting forth the amount of money needed to carry out the provisions of those sections.

(4) In addition to providing financial assistance, provide ~~and appropriate money for such services as will~~ which help to maintain and strengthen family life and promote the support and personal independence of parents and relatives insofar as ~~such the~~ help is consistent with continuing parental care and protection.

Sec. 3. Minnesota Statutes 1974, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] The ownership by father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Real estate used as a home the market value of which less encumbrances exceeds \$7,500; provided that real estate used as a home in excess of this amount will not be a bar to eligibility where the *county local welfare board determines, according to guidelines set by the commissioner of public welfare*, that *such the* real estate is not available for support of the family.

(2) Personal property of a reasonable market value in excess of \$300 for a one child recipient or \$500 for more than one child recipient, exclusive of personal property used as the home, insurance carried by a parent which does not exceed a cash surrender value of \$500, appropriate clothing and necessary household furniture and equipment, and of such tools, implements, and domestic animals as *which* in the opinion of the *county local agency, following guidelines set by the commissioner of public welfare*, it is expedient to retain for the purpose of reducing the expense or increasing the income of the family, and the earnings of a dependent child which are placed in a savings account to be used for a future purpose approved by the *county local agency* in accordance with the rules and regulations of the commissioner of public welfare; or

(3) Real estate not used as a home, provided that if *such the* real estate does not produce net income sufficient to meet the family budget and there is no available market for the sale of *such the* property, or if the price which can be obtained on the prevailing market is not fair and reasonable considering the applicant's interest therein and the possibilities of sale of said property for a greater amount within a reasonable length of time thereafter then in that event, in the discretion of the *county local agency, following guidelines set by the commissioner of public welfare*, ownership of the same shall not be a bar to an allowance under sections 256.72 to 256.87. Net income shall be the residue after payment from gross income of taxes, insurance, maintenance, and interest on encumbrances, if any, on the property; *provided that*. In computing net income the gross income shall not be charged with any expenses toward betterment of the property as improvements or by payment on the principal of a mortgage; *provided, that*. The net income thus derived shall be applied on the family budget.

Sec. 4. Minnesota Statutes 1974, Section 256.73, Subdivision 4, is amended to read:

Subd. 4. [COUNTY TO ADMINISTER PAYMENT.] The county responsible for the payment of assistance under sections 256.72 to 256.87 shall be the county in which said child *has resided for the year preceding resides at the time of making application for assistance*; *provided, that if said child has not resided continually in any one county for the year preceding said application, then the county in which said child has resided for the longest*

period of time during said year shall be responsible for the payment of assistance under sections 256.72 to 256.87, subject to the provisions of section 256.79. The time during which a child has been an inmate of a hospital, a home of detention, a licensed boarding or foster home, or of any public or private institution, shall be excluded in determining the time of residence of such child.

Sec. 5. Minnesota Statutes 1974, Section 256.82, is amended to read:

256.82 [PAYMENTS BY STATE.] Based upon estimates submitted by the *county local* agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for ~~such~~ *the* succeeding month, together with an amount of state funds equal to ~~50~~ 90 percent of the difference between the total estimated cost and the federal funds so available. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 6. Minnesota Statutes 1974, Section 256.871, Subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The *county local* agency shall submit to the state agency an estimate of expenditures for each succeeding month in ~~such~~ *the* form as required by the state agency. Payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ~~ten~~ 90 percent of the difference between the total estimated cost and the federal funds so available. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 7. Minnesota Statutes 1974, Section 256.98, is amended to read:

256.98 [WRONGFULLY OBTAINING ASSISTANCE; THEFT.] Whoever obtains, or attempts to obtain, or aids or abets any person to obtain by means of a wilfully false statement or representation, or by impersonation or other fraudulent device, assistance to which he is not entitled, or assistance greater than that to which he is entitled, or knowingly aids or abets in buying or in any way disposing of the property of a recipient of assistance without the consent of the *county local* agency with intent to defeat the purposes of Minnesota Statutes 1971, Sections 256.451 to 256.475, 256.13 to 256.43, 256.49 to 256.71, 256.72 to 256.87, or chapter 256B, shall be guilty of theft and punished in accordance with section 609.52, subdivision 3, clauses (1), (2) and (5). The amount of any assistance paid incorrectly by way of the aforementioned means and established by judicial determination shall be recoverable from the recipient or his estate by the county or *the state* as a debt due the county or *the state* or both in proportion to

*the contribution of each . Any amounts recovered shall be paid to the appropriate units of government in the same manner as provided in section 256.863. To prosecute or to recover assistance wrongfully obtained under this section, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal or civil action.*

Sec. 8. Minnesota Statutes 1974, Section 256B.02, Subdivision 3, is amended to read:

Subd. 3. "County of financial responsibility" means : (a) For an applicant who resides in this state, the county in which he last resided for one year of unexcluded time. If he does not have one year of unexcluded time, the county in which he resided for the longest period of unexcluded time.

(b) For an applicant who has not resided in this state for a full year, the county in which he has resided the longest period of unexcluded time.

(c) For an applicant who has not resided in this state for any period of unexcluded time, the county in which he the applicant resides at the time of making application.

(d) The above provisions notwithstanding, the county of financial responsibility for medical assistance shall always be the same county as that from which a recipient is receiving a maintenance grant or money payment under the aid to families with dependent children program.

Sec. 9. Minnesota Statutes 1974, Section 256B.041, Subdivision 5, is amended to read:

Subd. 5. If required by federal law or rules promulgated thereunder, or by authorized regulation of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. The county's share of cost shall be 50 ten percent of that portion not met by federal funds.

Sec. 10. Minnesota Statutes 1974, Section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.] A county local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, insurance policies with cash surrender value not in excess of \$1,000 per insured person, personal property used as a regular abode by the applicant or recipient, and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 11. Minnesota Statutes 1974, Section 256B.12, is amended to read:

256B.12 [LEGAL REPRESENTATION.] The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of each the appropriate county shall be the attorney for the county local agency of such county in all matters pertaining hereto.

Sec. 12. Minnesota Statutes 1974, Section 256B.19, Subdivision 1, is amended to read:

256B.19 [DIVISION OF COST.] Subdivision 1. The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. *Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be shared equally paid by the state and county; except that where the recipient is a child who has been surrendered for adoption pursuant to section 259.25, or has been committed to the guardianship of a licensed child placing agency pursuant to section 260.241, and a bona fide dispute regarding the county of residence of the child exists, the commissioner of public welfare, pursuant to rules and regulations adopted by him, may pay the entire expense of assistance not paid by federal funds from state funds. The director of the child placing agency or his appointed agent shall be designated as the applicant for medical assistance benefits on behalf of the child and ten percent shall be paid by the county of financial responsibility.*

Sec. 13. Minnesota Statutes 1974, Section 256D.03, Subdivision 2, is amended to read:

Subd. 2. State aid shall be paid to local agencies for 50 90 percent of all general assistance grants up to the standards of section 256D.01, 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 256D.01, subdivision 1.

Sec. 14. Minnesota Statutes 1974, Section 256D.07, is amended to read:

256D.07 [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 Laws 1973, Chapter 650, Article 21 and any applicable rules and regulations of the commissioner. General assistance shall be immediately granted to such a 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 the 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 or to the attorney general. The county attorney either independently or at the direction of the attorney general, or the attorney general may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 15. Minnesota Statutes 1974, Section 256D.18, Subdivision 2, is amended to read:

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 section 144.50, or is placed in a county as a result of a correctional program or a treatment plan for health, rehabilitation, foster care, child care or training, 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 .

Sec. 16. Minnesota Statutes 1974, Section 256D.36, Subdivision 1, is amended to read:

256D.36 [1973 CATEGORICAL AID RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID.] Subdivision 1. Commencing January 1, 1974, the commissioner shall certify to each local agency the names of all county residents who were eligible for and did receive aid during December, 1973 pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. From and after January 1, 1974 the effective date of this act , the state and the county shall each pay one half of 90 percent and the county shall pay ten percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. The amount of supplemental aid for each individual eligible under this section shall be calculated pursuant to the formula prescribed in Title II, Section 212 (a) (3) of Public Law 93-66, as amended.

Sec. 17. Minnesota Statutes 1974, Section 256D.37, Subdivision 1, is amended to read:

256D.37 [NEW APPLICANTS AND RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID.] Subdivision 1. For all applicants for or recipients of supplemental security income who did not receive aid pursuant to any categorical aid program referred to in section 256D.36 during December, 1973, and who make application to the appropriate local agency, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program. In computing the amount of supplemental aid under this section, the local agency shall deduct

from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program. From and after the first of the month in which an effective application is filed, the state and the county shall each pay one half of 90 percent and the county shall pay ten percent of the supplemental aid to which the individual is entitled under this section.

Sec. 18. Minnesota Statutes 1974, 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, subdivision 3, 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 institutional requirements in any city of the first class located therein. The tax levy by the county board of commissioners in such those counties shall be such as is for the amount required for public assistance, poor relief and categories of aid under the federal social security act, social services, and administration of those and all other programs of assistance, 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 institutional requirements as authorized by such the home rule charter, on the real and personal property within the corporate limits of such the city. Such The 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.

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 programs.

Sec. 19. [APPROPRIATION.] *There is annually appropriated from the general fund in the state treasury to the commissioner of public welfare, a sum sufficient to discharge the duties imposed by this article.*

Sec. 20. [EFFECTIVE DATE.] *This article shall be effective January 1, 1976.*

### ARTICLE III

Section 1. Minnesota Statutes 1974, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] Subdivision 1. Except as provided in other subdivisions of this section, all property described in this section to the extent herein limited shall be exempt from taxation ; *provided that if any portion of a parcel of exempt property exceeding two percent of the total valuation of that property is used for a non-exempt purpose, the portion so used shall be subject to ad valorem taxes :*

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;
- (9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.



Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

Sec. 2. [EFFECTIVE DATE.] *This article is effective for property taxes assessed in 1975 and thereafter and due and payable in 1976 and thereafter.*

#### ARTICLE IV

Section 1. Minnesota Statutes 1974, Section 273.011, Subdivision 2, is amended to read:

Subd. 2. [QUALIFIED HOME OWNER.] The term "qualified home owner" means:

- (a) (i) A person 65 years of age or older; or
- (ii) The surviving spouse of a decedent, if such decedent was 65 years of age or older at his death, and such spouse has not remarried; and
- (b) Who owns property as his homestead, and title to the property so used is held:
  - (i) In his name as owner of the fee; or
  - (ii) Only in his name and that of his spouse as joint tenants or tenants in common; or
  - (iii) Only in his name, or his name and that of his spouse as owner of an estate for life or an estate for years; or
  - (iv) In the name of two or more joint tenants or tenants in common where each of such joint tenants or tenants in common would meet the requirements of a "qualified home owner" set out in this subdivision if he were the sole owner of the fee; and
- (c) *Who, together with his spouse, if any, has a federal adjusted gross income of less than \$15,000 in the year for which the claim is made.*

Sec. 2. Minnesota Statutes 1974, Section 273.011, Subdivision 5, is amended to read:

Subd. 5. [CURRENT TAX.] The term "current tax" means the ad valorem tax *which except as provided in section 3 would otherwise be* legally due and payable on "qualified property" in the year following the year of assessment.

Sec. 3. Minnesota Statutes 1974, Section 273.012, Subdivision 2, is amended to read:

Subd. 2. Where the "current tax" on "qualified property" is in excess of the "base tax" on such property, ~~there shall be allowed to the "qualified home owner" thereof a credit an equal amount to the excess of current tax over base tax as hereinafter provided under chapter 290 the property tax as otherwise determined by law to be paid by the "qualified home owner" thereof shall be reduced by an amount equal to the excess of "current tax" over "base tax"~~. In the event that a "qualified home owner" entitled to the credit provided herein dies prior to the receipt thereof, his surviving spouse shall be entitled to such credit. If there be no spouse surviving him, the right to such credit shall lapse.

Sec. 4. Minnesota Statutes 1974, Section 273.012, is amended by adding a subdivision to read:

*Subd. 3. The county auditor shall notify the county assessor of each qualified property for which the credit provided for in this section is claimed.*

Sec. 5. Minnesota Statutes 1974, Section 273.061, is amended by adding a subdivision to read:

*Subd. 11. [ADDITIONAL SPECIFIC DUTIES.] The county assessor shall notify the county auditor when qualified property, as defined in section 273.011, for which the credit provided for in section 273.012 is claimed, loses its status as qualified property.*

Sec. 6. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.013] [ALLOWANCE OF CREDIT.] *Subdivision 1. A person entitled to a reduction of ad valorem taxes as provided by section 273.012, subdivision 2, may submit an application for the reduction provided to the county auditor prior to October 1 of the year preceding the year in which the taxes are due and payable. The application shall contain the following information:*

*(a) Name of applicant.*

*(b) Date of applicant's birth.*

*(c) Whether applicant received the property from a deceased spouse, and if so, date of death of deceased spouse and age at date of death.*

*(d) Type of ownership (fee owner, holder in joint tenancy, holder of an undivided interest, holder of an estate for life or an estate for a time certain; if held in joint tenancy with one or more persons, the names of the other joint tenants and the relationship of the joint tenants to the applicant).*

*(e) Description of the property (including particulars regarding one acre or less of land most contiguous to the structure) whether a single family dwelling, part of a multi-family dwelling, part of a multi-purpose structure or a mobile home, and if the property is a mobile home, whether title to the land on which located is owned by the applicant.*

*(f) Whether the property is the homestead of the applicant. If the property and the one acre or less of land described in clause (e) contain structures other than those where the applicant stores his personal property, or if the property embraces an area of land in excess of one acre, the county auditor shall request the assessor to place a separate market value on the dwelling place, storage structures and on the acre of land most contiguous to these structures. The application shall be deemed to be on file for ensuing years until the applicant is no longer entitled to the reduction of tax on the property provided in section 273.012, subdivision 2.*

*Subd. 2. The county auditor shall then compute the "current tax" on the property, and determine the "base tax" of the appli-*

cant in the manner provided by the commissioner of revenue. Both the "current tax" and the "base tax" shall be recorded on the tax list which the county auditor is required to furnish to the county treasurer pursuant to section 276.01.

Subd. 3. The county treasurer shall set forth on the tax statement sent the applicant, the amount by which the "current tax," is reduced pursuant to section 273.012, subdivision 2.

If prior to the first Monday in January the applicant has disposed of the property either by sale, gift or otherwise, or the property has passed to an heir by reason of applicant's death, the person in possession of the property shall not be entitled to the reduction in tax represented by the difference between the "current tax" and the "base tax," unless he is otherwise entitled thereto.

Subd. 4. At the time the county treasurer makes full settlement with the county auditor of his receipts and collections, he shall submit a list of the reductions in tax to the county auditor resulting from the application of this section.

Sec. 7. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.014] [GENERAL FUND, REPLACEMENT OF REVENUE.] Subdivision 1. Payment from the general fund shall be made as provided herein to replace revenue lost as a result of the reduction of property taxes as provided in sections 3 and 4 and 273.011 and 273.012.

Subd. 2. The commissioner of revenue shall determine the amount of reduction resulting from sections 2 and 3 and sections 273.011 and 273.012, basing his determinations on a review of the abstracts of tax lists submitted by the county auditor pursuant to section 275.29, or on certification of the county auditor.

Subd. 3. The commissioner shall pay out of the general fund to the treasurer of each county one half of the amount certified under subdivision 2 not later than July 15 and the remaining half not later than November 15 of each year commencing in 1976. There is annually appropriated from the general fund the amounts necessary to make the payments provided herein.

Subd. 4. When any person pays or owes a tax in excess of the amount he is required to pay pursuant to the provisions of sections 3 and 4 and 273.011 and 273.012, he may apply either for an abatement of the tax he owes, or a refund, if he has paid an amount in excess of the amount legally due, as the case may be. The application shall be filed with the county board and upon favorable recommendation of the county board or the board of abatement of any city where a board of abatement exists, and the county auditor of the county where the tax was levied or paid, the application shall be thereafter submitted to the commissioner of revenue in the manner provided by section 270.07.

If an abatement or refund is thereafter approved, the county auditor shall include the abatement or refund with the abstract of

*tax lists submitted by him for the year following the year in which effected.*

*Sec. 8. Minnesota Statutes 1974, Section 290.066, is repealed.*

*Sec. 9. [EFFECTIVE DATE.] This article is effective for the reduction of current taxes which become due and payable in 1976 and each succeeding year.*

## ARTICLE V

Section 1. Minnesota Statutes 1974, Section 273.11, Subdivision 1, is amended to read:

273.11 [VALUATION OF PROPERTY.] Subdivision 1. ~~Except as provided in subdivision 2,~~ All property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

*Sec. 2. [REPEALER.] Minnesota Statutes 1974, Section 273.11, Subdivisions 2, 3, 4 and 5 are repealed.*

## ARTICLE VI

Section 1. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

273.122] [FLEXIBLE HOMESTEAD BASE VALUE.] *Subdivision 1. [HOMESTEAD BASE VALUE.] For 1974 and prior*

years, the homestead base value shall mean \$12,000 of market value of any property which qualifies as homestead property for assessment purposes. Commencing with the 1975 assessment year, the homestead base value shall be \$14,000 of market value. The homestead base value shall be increased in any subsequent assessment year as provided in subdivision 2.

Subd. 2. [HOMESTEAD BASE VALUE INDEX.] In assessment years subsequent to 1975, the homestead base value shall be adjusted pursuant to the homestead base value index. The homestead base value index shall be computed by the equalization aid review committee for each year immediately preceding an assessment year. This index is computed in the following manner. The annual statewide average market value of homestead property as indicated by bona fide real estate sales during the year shall be divided by the statewide average market value of all homestead property sold in 1975. This quotient is multiplied by 100. For each increase of a full three and one half points in the index the homestead base value shall be increased \$500 in the following assessment year. On or before March 15 of any assessment year the commissioner of revenue shall certify the homestead base value for that year.

Sec. 2. Minnesota Statutes 1974, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead, shall constitute class 3b and shall be valued and assessed at 20 percent of the market value thereof. The property tax to be paid on class 3b property as otherwise determined by law not exceeding 120 160 acres, regardless of whether or not the market value is in excess of \$12,000 the homestead base value , for all purposes except the payment of principal and interest on non-school district bonded indebtedness, shall be reduced by 45 percent 100 percent of the first \$100 and 45 percent of the remainder of the amount of the tax; provided that the amount of said the total reduction shall not exceed \$325 \$375 . Valuation subject to relief shall be limited to 120 160 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and, such other structures as may be included thereon utilized by the owner in an agricultural pursuit. If the market value is in excess of the sum of \$12,000 homestead base value , the amount in excess of that sum shall be valued and assessed as provided for by class 3. The first \$12,000 market homestead base value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.03, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 3. Minnesota Statutes 1974, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at 25 percent of the market value thereof. The property tax to be paid on class 3c property as otherwise determined by law, regardless of whether or not the market value is in excess of ~~\$12,000~~ *the homestead base value*, for all purposes except the payment of principal or interest on non-school district bonded indebtedness, shall be reduced by ~~45 percent~~ *100 percent of the first \$100 and 45 percent of the remainder* of the amount of such tax; provided that the amount of ~~said~~ *the total* reduction shall not exceed ~~\$325~~ *\$375*. If the market value is in excess of the ~~sum of \$12,000~~ *homestead base value*, the amount in excess of that sum shall be valued and assessed at 40 percent of market value. The ~~first \$12,000 market homestead base value~~ of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All real estate which is used for the purposes of a homestead by any blind person, as defined by section 256.12, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or by any person (hereinafter referred to as veteran) who served in the active military or naval service of the United States and who is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheel chair, and who with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability; or by any person who is permanently and totally disabled and who is receiving aid from any state as a result of that disability, or who is receiving supplemental security income for the disabled, or who is receiving workmen's compensation based on a finding of total and permanent disability, or who is receiving social security disability, which aid is at least 90 percent of the total income of such disabled person from all sources, shall constitute class 3cc and shall be valued and assessed at five percent of the market value thereof. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, regardless of whether or not the market value is in excess of ~~\$12,000~~ *the homestead base value*, for all purposes except the payment of principal or interest on non-

school district bonded indebtedness, shall be reduced by 45 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$325. If the market value is in excess of the sum of \$24,000, the amount in excess of that sum shall be valued and assessed at 33 $\frac{1}{3}$  percent in the case of agricultural land used for a homestead and 40 percent in the case of all other real estate used for a homestead.

Sec. 4. Minnesota Statutes 1974, Section 510.02, is amended to read:

510.02 [AREA, HOW LIMITED.] The homestead may include any quantity of land not exceeding 80 160 acres, and not included in the laid out or platted portion of any city. If it be within the laid out or platted portion of such place its area shall not exceed one half of an acre.

Sec. 5. [APPROPRIATION.] *A sum sufficient to discharge the duties imposed by sections 2 and 3 is annually appropriated from the general fund to the commissioner of revenue.*

## ARTICLE VII

Section 1. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.132] [CLASS 3CC AND TITLE II AID.] *Subdivision 1. Each county government, city, township, special taxing district, and each school district which levied ad valorem taxes payable in 1976 shall receive reimbursement in 1976 and subsequent years for the difference in tax as determined in subdivision 2, on class 3cc property assessed under section 273.13, subdivision 7, and on structures used as housing for the elderly or for low and moderate income families and assessed under section 273.13, subdivision 17 or 17b.*

*Subd. 2. (a) The county auditor shall calculate the tax on the property described in subdivision 1 in the same manner as like property is assessed, notwithstanding section 273.13, subdivision 7, as it relates to class 3cc property, and section 273.13, subdivisions 17 and 17b.*

*(b) The difference between the amount so calculated in clause (a) and the amount of tax actually payable by the owner on such property pursuant to those sections shall be distributed to the taxing districts by the commissioner of revenue in the same proportion that the ad valorem tax was distributed. He shall make payment directly to the affected taxing districts on July 15 of each year, commencing in 1976.*

*Subd. 3. The county auditor shall enter on the abstract of assessment of real property the assessed value of the affected property computed pursuant to subdivision 2, clause (a), which shall be the basis of computing the distribution of school aids.*

*Subd. 4. For the purpose of determining the amount of the property tax levy subject to limitation pursuant to sections 275.50*



*to 275.56, the property tax levy of a county government, city or town subject to such limitation shall be the property tax levy of such governmental unit including the distribution to be made pursuant to section 1.*

Sec. 2. Minnesota Statutes 1974, Section 276.04, is amended to read:

**276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]** On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, in counties over 50,000 population according to the 1960 federal census, cause to be printed on all tax receipts and tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than May 15; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. Such statements shall also contain the amount of any reduction in real property taxes applicable to homesteads as provided in section 273.13, subdivisions 6 and 7, and attributable to the class 3cc and Title II aid, provided in section 1, subdivision 2 of this act. Such statements shall note that the reduction is paid for by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 3. **[APPROPRIATION.]** *A sum sufficient to discharge the duties imposed by section 1 is annually appropriated from the general fund to the commissioner of revenue.*

Sec. 4. **[EFFECTIVE DATE.]** *This article shall be effective for taxes levied in 1975 and payable in 1976.*

## ARTICLE VIII

Section 1. Minnesota Statutes 1974, Section 275.52, Subdivision 3, is amended to read:

Subd. 3. **If the population of any governmental subdivision decreases from one year to the next, the current levy year's population shall, for purposes of sections 275.50 to 275.56, be increased**

by an amount equal to one half of the decrease in population from the prior levy year, such increase to be effective for the said one levy year only. Notwithstanding subdivision 2, the levy limit base per capita as adjusted for previous increases pursuant to this section may be increased for taxes payable in the year 1976 by an amount not to exceed 11 percent. In subsequent years the levy limit base per capita as adjusted for previous increases pursuant to this section may be increased as provided in subdivision 2.

Sec. 2. Minnesota Statutes 1974, Section 275.53, Subdivision 1, is amended to read:

275.53 [GOVERNING CENSUS.] Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal commission pursuant to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent as to the stated date of count or estimate reflects the highest total of population.

Sec. 3. Minnesota Statutes 1974, Section 275.59, is amended to read:

275.59 [GOVERNMENTAL SUBDIVISIONS UNDER 2,500 POPULATION; EXEMPTION FROM LEVY LIMITS.] Commencing with levy year 1973 1975 and thereafter, taxes payable in 1974 1976 and thereafter, the provisions of sections 275.50 to 275.56 shall not apply to any city, statutory city or town with statutory city powers whose population according to the latest state or federal census is under 500 2,500.

Sec. 4. [EFFECTIVE DATE.] *This article shall be effective on the day following final enactment.*

## ARTICLE IX

Section 1. Minnesota Statutes 1974, Section 290.012, Subdivision 4, is amended to read:

Subd. 4. "Income" means the sum of (a) gross income as defined in section 290.01, subdivision 20, (b) net income from sources outside the state, (c) alimony, (d) support money, and (e) relief, not including relief granted under unemployment compensation, (f) the gross amount of any pension or annuity, including railroad retirement benefits, all payments received under the federal social security act, and veterans disability pensions, (g) nontaxable interest received from the state or federal governments or any of their instrumentalities, (h) the gross amount of "loss of time" insurance and (i) cash public assistance and relief, not including relief granted under sections 290.0601 to 290.0618. It does not include gifts from nongovernmental sources, or surplus food or other relief in kind supplied by a governmental agent.

Sec. 2. Minnesota Statutes 1974, Section 290.06, Subdivision 3d, is amended to read:

Subd. 3d. [CREDITS AGAINST TAX.] The taxes due as computed in accordance with section 290.06, subdivisions 2c and 3c shall be credited with the following amounts:

(1) A credit equal to his tax liability in the case of:

(a) An unmarried claimant with an income of ~~\$3,200~~ \$4,400 or less;

(b) A claimant with one dependent, with an income of ~~\$3,000~~ \$5,200 or less;

(c) A claimant with two dependents, with an income of ~~\$4,600~~ \$6,000 or less;

(d) A claimant with three dependents, with an income of ~~\$5,400~~ \$6,700 or less;

(e) A claimant with four dependents, with an income of ~~\$6,000~~ \$7,300 or less; and

(f) A claimant with five or more dependents, with an income of ~~\$6,400~~ \$7,800 or less.

(2) In the case of a claimant with an income in excess of that set forth in the appropriate category of clause (1), he may pay a tax equal to 15 percent of that portion of his income that is in excess of the amount set forth in the appropriate category of clause (1), or his tax obligation as it would have been in the absence of section 290.012 and this subdivision, whichever is less.

(3) The total income of the claimant and his spouse, if any, shall be the figure employed for the purposes of this subdivision. No ~~dependent individual dependent upon and receiving his chief support from any other individual~~ may be a claimant under section 290.012 and this subdivision. The commissioner of revenue shall prescribe the additional forms or alterations in existing forms as necessary to comply with the provisions of section 290.012 and this subdivision. All claimants shall submit their returns on these forms.

Sec. 3. [EFFECTIVE DATE.] *This article is effective for taxable years commencing after December 31, 1974.*

## ARTICLE X

Section 1. [REPEAL OF EMPLOYER'S EXCISE TAX.] *Minnesota Statutes 1974, Sections 290.031; 290.921; and 290.922 are repealed.*

Sec. 2. [EFFECTIVE DATE.] *This article shall be effective July 1, 1976.*

## ARTICLE XI

Section 1. Minnesota Statutes 1974, Section 290.06, Subdivision 9a, is amended to read:

Subd. 9a. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of 10 percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, aerating equipment, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot or other animal lot, may be deducted from the tax due under chapter 290 in the taxable year in which such equipment is purchased; provided that no deduction shall be taken for any portion of the cost of the same equipment pursuant to subdivision 9. The credits provided for in this subdivision and in subdivision 9 shall terminate on December 31, 1976 1983 .

*If the amount of the deduction provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year in which the equipment is purchased, the excess amount may be carried back to the three taxable years preceding the year of purchase and carried forward to the seven taxable years following the year of purchase.*

## ARTICLE XII

Section 1. Minnesota Statutes 1974, Section 290.09, Subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITION.] For purposes of Laws 1973, Chapter 737, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging".

(b) [DEDUCTIONS LIMITED.] Except as provided in Laws 1973, Chapter 737, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the amount of non-farm gross income, or taxable net income in the case of a corporation, not to exceed the amount of ~~\$10,000~~ \$20,000 reduced by the amount by which such non-farm income exceeds the amount of ~~\$10,000~~ \$20,000. Any remaining balance of such deductions shall be carried back three years and carried forward five years, in chronological order.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the

application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the amount of non-farm gross income, or taxable net income in the case of a corporation, not to exceed the amount of \$10,000 \$20,000 reduced by the amount by which such non-farm income exceeds the amount of \$10,000 \$20,000 .

(d) For purposes of Laws 1973, Chapter 737 individual shareholders of an electing small business corporation shall be considered separate entities.

Sec. 2. [EFFECTIVE DATE.] *This article is effective for taxable years commencing after December 31, 1974.*

### ARTICLE XIII

Section 1. Minnesota Statutes 1974, Section 290.983, Subdivision 1, is amended to read:

290.983 [AMOUNT OF CREDIT; OFFSET AGAINST TAX.] Subdivision 1. The credit allowed by section 290.981 shall be 10 12.5 percent of the total amount paid by the claimant during the taxable year as rent for the occupancy of real property used as the place of residence of his household. The credit shall not exceed \$120 \$150 in any taxable year. For purposes of sections 290.981 to 290.992 "rent" does not include payments attributable to heat, light, or other utilities.

Sec. 2. [APPROPRIATION.] *A sum sufficient to discharge the duties imposed by this article is annually appropriated from the general fund to the commissioner of revenue.*

Sec. 3. [EFFECTIVE DATE.] *This article is effective for taxable years beginning after December 31, 1974.*

### ARTICLE XIV

Section 1. Minnesota Statutes 1974, Section 297A.01, Subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of

food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices, *only if granted upon the payment, or promise of payment of a mandatory admission charge; not including the privilege of admission to live performances of ballet, dance or choral, instrumental and vocal concerts, plays, operas, and readings, and exhibitions of paintings, sculpture, photography, graphics, and crafts arts performed, exhibited or sponsored by an organization exempt from income taxation pursuant to section 290.05, subdivision 1 (i);*

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service except such service provided by means of coin operated telephones. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause.

Sec. 2. [EFFECTIVE DATE.] *This article is effective July 1, 1975.*

## ARTICLE XV

Section 1. [477A.03] [LOCAL GOVERNMENT AID; 1976 AND 1977.] *Subdivision 1. The state shall distribute \$159,000,000 for each of the calendar years 1976 and 1977 to taxing authorities, except school districts, with authority to tax property in the state.*

*Subd. 2. Every county government except that of a county containing a city of the first class shall receive a distribution equal to the distribution it was entitled to receive in 1975 pursuant to Minnesota Statutes 1974, Section 477A.01.*

*Subd. 3. Each taxing authority in each county, other than the county, the school districts and the cities and towns shall receive in 1976 and 1977 a distribution equal to the distribution it was entitled to receive in 1971 pursuant to Minnesota Statutes 1969, Section 273.69.*

*Subd. 4. The balance of the distributions in 1976 pursuant to subdivision 1 shall be distributed to each of the cities and towns in the proportion that the product of the city or town's 1970 federal census population times its average mill rate payable in 1975 times its city or town 1974 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns.*

*The balance of the distributions in 1977 pursuant to subdivision 1 shall be distributed to each of the cities and towns in the proportion that the product of the city or town's 1970 federal census population times its average mill rate payable in 1976 times its city or town 1975 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns.*

*Subd. 5. If the amount distributed to a city or town pursuant to subdivision 4 is less than the aids the city or town received in 1975, before corrections for prior year aid payments, pursuant to Minnesota Statutes 1974, Section 477A.01, the amount distributed to it shall be raised to the amount the city or town received in 1975, before corrections for prior year aid payments, and the distributions to the other cities and towns shall be proportionately reduced as necessary to supply the difference.*

*Subd. 6. The commissioner of revenue shall make all necessary calculations and make payments directly to the affected taxing authorities in four equal parts on March 15, July 15, September 15, and November 15 in 1976 and 1977.*

Sec. 2. Minnesota Statutes 1974, Section 275.51, Subdivision 3, is amended to read:

Subd. 3. The property tax levy limitation for governmental subdivisions in 1972 and subsequent levy years is calculated as follows. The governmental subdivision's levy limit base per capita for the immediately preceding levy year shall be increased pursuant to section 275.52, subdivision 2. The resulting current levy year's levy limit base per capita shall then be multiplied by the current levy year's population of the governmental subdivision established pursuant to section 275.53. From the resulting figure (current levy year's levy limit base) shall be deducted the amount of state formula aids estimated by the department of revenue to be paid pursuant to ~~section 477A.01~~, *as amended this article*, and the taconite production tax municipal aids paid pursuant to section 298.282, as amended, to the governmental subdivision during the tax collection year to which the current levy year's levy limit base applies. The resulting figure is the amount of property taxes which the governmental subdivision may levy in the current levy year for all purposes other than those for which special levies and special assessments are made.

For the purpose of determining the amount of property taxes that a governmental subdivision may levy, in 1973 and thereafter, taxes payable in 1974 and thereafter, for all purposes except special levies and special assessments, the following amounts (increased by 12.36 percent and divided by the 1972 population of the governmental subdivision established pursuant to section 275.53) shall be added to the governmental subdivision's 1972 payable 1973 levy limit base per capita and adjusted pursuant to section 275.52, subdivision 2:

(1) The amount of a county auditor's error of omission in the ad valorem taxes extended in levy year 1970, taxes payable in 1971, but only to the extent that when included in the govern-

mental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory, special law or charter limitation imposed on the governmental subdivision in levy year 1970.

(2) The amount of an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in levy year 1970, taxes payable in 1971, but only to the extent that when included in the governmental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory special law or charter limitation imposed on the governmental subdivision in levy year 1970.

The foregoing addition shall not be construed to alter in any way the amount of state formula aids estimated by the department of revenue to be paid a governmental subdivision pursuant to section 477A.01 in calendar years 1972 and 1973.

For levy year 1973 and thereafter, taxes payable in 1974 and thereafter, the current levy year's levy limit base for the governmental subdivision shall be increased by the following aids (as estimated by the department of revenue and before adjustments for prior year aid payments):

(1) Calendar year 1973 cigarette tax distribution aids pursuant to Minnesota Statutes 1971, Section 297.13;

(2) Calendar year 1973 liquor tax distribution aids pursuant to Minnesota Statutes 1971, Section 340.60;

(3) The November 30, 1972 and May 31, 1973, distribution of bank excise tax aids pursuant to Minnesota Statutes 1971, Section 290.361;

(4) Seventy percent of the amount that county governments were entitled to receive and 100 percent of the amount city and town governments were entitled to receive in fiscal year 1973 (July 1, 1972 through June 30, 1973) pursuant to Minnesota Statutes 1971, Section 287.12;

(5) Fiscal year 1973 (July 1, 1972 through June 30, 1973) gross earnings aids to cities, towns and counties pursuant to Minnesota Statutes 1971, Sections 276.15 to 276.18; 368.39 to 368.42; and 373.20 to 373.24;

(6) Fifty percent of the fiscal year 1973 (July 1, 1972 to June 30, 1973) inheritance tax distribution to county governments pursuant to Minnesota Statutes 1971, Section 291.33.

The foregoing addition shall be made after the per capita adjustment pursuant to section 275.52, subdivision 2, and after the multiplication of the current levy year's levy limit based per capita by the current levy year's population of the governmental subdivision, but before the deduction of the aids estimated by the department of revenue to be paid to the governmental subdivision pursuant to ~~sections 477A.01~~ *this article* and section 298.282, as amended, during the tax collection year to which the current levy year's levy limit base applies.



Sec. 3. [APPROPRIATION.] *A sum sufficient to discharge the duties imposed by this article is annually appropriated from the general fund to the commissioner of revenue.*

Sec. 4. *Minnesota Statutes 1974, Section 477A.01, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16 and 17 are repealed effective January 1, 1976.*

## ARTICLE XVI

Section 1. [EXEMPTION FOR FEDERAL INCOME TAX REBATE.] *All amounts received by individual taxpayers pursuant to Title I of Public Law 94-12 of the Tax Reduction Act of 1975, shall be exempt from taxation as income as provided by Minnesota Statutes, Chapter 290.*"

Further, amend the title as follows:

Page 1, delete lines 2 to 41

Page 2, delete lines 1 to 17 and insert:

"relating to taxation; increasing the agricultural mill rate differential; increasing the proportion of public assistance payments to be paid by the state; qualifying eligibility for property tax exemption; eliminating the limit on the annual increase in assessed valuations of property; establishing a method of determining flexible homestead base values; reducing ad valorem taxes paid by certain persons; providing for reimbursement by the state of local taxing districts for reduced revenues from Class 3cc and Title II property; altering means of calculating levy limits; exempting certain governmental subdivisions from levy limits; raising the level of credits against tax granted to low income individuals; repealing employer's excise tax; extending income tax credit for pollution control equipment; increasing farm loss deductions limit; increasing renters credit; defining "sale" for sales and use tax purposes to exclude certain admission charges; providing certain local government aids; exempting federal income tax rebate from taxation by the state; amending Minnesota Statutes 1974, Sections 124.03, Subdivision 2, and Subdivision 3, as amended; 256.01, Subdivision 2; 256.72; 256.73, Subdivisions 2 and 4; 256.82; 256.871, Subdivision 6; 256.98; 256B.02, Subdivision 3; 256B.041, Subdivision 5; 256B.07; 256B.12; 256B.19, Subdivision 1; 256D.03, Subdivision 2; 256D.07; 256D.18, Subdivision 2; 256D.36, Subdivision 1; 256D.37, Subdivision 1; 272.02, Subdivision 1; 273.011, Subdivisions 2 and 5; 273.012, Subdivision 2, and by adding a subdivision; 273.061, by adding a subdivision; 273.11, Subdivision 1; 273.13, Subdivisions 6 and 7; 275.52, Subdivision 3; 275.53, Subdivision 1; 275.59; 276.04; 290.012, Subdivision 4; 290.06, Subdivisions 3d and 9a; 290.09, Subdivision 29; 290.983, Subdivision 1; 297A.01, Subdivision 3; 393.08, Subdivision 1; and 510.02; and Chapter 273, by adding sections; repealing Minnesota Statutes 1974, Sections 273.11, Subdivisions 2, 3, 4, and 5; 290.031; 290.066; 290.921; 290.922; and 477A.01, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, and 17."

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

Pursuant to Rule 60, a roll call was taken on the motion of Mr. Blatz to further amend H. F. No. 1674 as follows:

Strike everything after the enacting clause and insert the following:

### "ARTICLE I

Section 1. *The federal income tax rebate received by a taxpayer because of Title I of P. L. 94-12 shall not be subject to the Minnesota income tax.*

### ARTICLE II

Section 1. Minnesota Statutes 1974, Section 290.06, Subdivision 1, is amended to read:

290.06 [RATES OF TAX; CREDITS AGAINST TAX.] Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable credits allowed under section 290.21 the rate of ~~12~~ 11 percent. The amount of tax payable by a corporation required to file a return shall not be less than \$100.

Sec. 2. Minnesota Statutes 1974, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, ~~1974~~ 1974, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, ~~\$21~~ \$25, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, ~~\$42~~ \$50. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, ~~\$21~~ \$25 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional ~~\$21~~ \$25;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional ~~21~~ \$25;

(c) In the case of a married individual, living with husband or wife, an additional ~~21~~ \$25 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$25 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) If the status of a taxpayer, insofar as it affects the credits allowed under paragraphs 1, 2 and 3 shall change during the taxable year, or if the taxpayer shall either become or cease to be a resident of the state during such taxable year, such credit shall be apportioned, in accordance with the number of months before and after such change. For the purpose of such apportionment, a fractional part of a month shall be disregarded unless more than one-half of the month, in which case it shall be considered as a month. In case of death during a taxable year, a credit shall be allowed to the decedent, in proportion to the number of months before his death, and to his estate, in proportion to the number of months after his death, and in any event a minimum credit of \$5 shall be allowed to the decedent and his estate, respectively;

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 3. Minnesota Statutes 1974, Section 290.06, is amended by adding a subdivision to read:

*Subd. 12. For taxable years beginning after December 31, 1974, the income taxes imposed by chapter 290 upon individuals, estates and trusts, other than those taxable as corporations, shall be reduced by a credit equal to ten percent of the income tax so computed.*

Sec. 4. This article is effective for taxable years beginning after December 31, 1974.

## ARTICLE III

Section 1. Minnesota Statutes 1974, Section 290.031, is amended by adding a subdivision to read:

*Subd. 7. [EXCISE TAX TERMINATION.] The provisions of this section shall not apply to taxable compensation paid after June 30, 1975. The entire \$100,000 exclusion in subdivision 4 shall be allowable for the employer's taxable year beginning January 1, 1975 or thereafter.*

Sec. 2. Minnesota Statutes 1974, Section 297A.14, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.] For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, there is hereby imposed on every person in this state a use tax at the rate of four percent of the sales price of sales at retail of any of the aforementioned items made to such person after October 31, 1971, unless the tax imposed by section 297A.02 was paid on said sales price.

Motor vehicles subject to tax under this section shall be taxed at the fair market value at the time of transport into Minnesota if such motor vehicles were acquired more than three months prior to its transport into this state.

~~Notwithstanding any other provisions of sections 297A.01 to 297A.44 to the contrary, the cost of paper and ink products exceeding \$100,000 in any calendar year, used or consumed in producing a publication as defined in section 297A.25, subdivision 1, clause (i) is subject to the tax imposed by this section.~~

Sec. 3. Minnesota Statutes 1974, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use of other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (Storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property ~~(except as provided in section 207A.14)~~ which is used or consumed in ~~producing or becomes an ingredient or component part of any~~ publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property

by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of air flight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

#### ARTICLE IV

Section 1. Minnesota Statutes 1974, Section 290.06, is amended by adding a subdivision to read:

*Subd. 13. [INVESTMENT CREDIT.] Effective for taxable years beginning after December 31, 1974, there shall be allowed a credit against the Minnesota tax an amount that is equal to the amount of the credit that is allowed under Section 38 and Section 46 of the Internal Revenue Code of 1954, as amended through December 31, 1974, and as amended by Public Law 94-12, in the year the federal credit is allowed. However, such credit shall be allowed only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter. The credits provided by section 290.06, subdivision 9 or subdivision 9a, shall not be applicable to property eligible for credit under this subdivision.*

*In the case of property disposed of on or after January 1, 1975, which results in an increase in the taxpayer's federal tax liability*



*under Section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1974, and as amended by Public Law 94-12, in the year such increase occurs, there shall be added an equal amount to the taxpayer's Minnesota tax liability, not exceeding the amount of the credit which was previously allowed to reduce the taxpayer's Minnesota income tax liability.*

*Sec. 2. The provisions of section 290.01, subdivision 20(a)(9), section 290.01, subdivision 20(b)(9) and section 290.09, subdivision 24 shall not be applicable to property which is acquired on or after January 1, 1975.*

## ARTICLE V

Section 1. Minnesota Statutes 1974, Section 273.11, Subdivision 1, is amended to read:

273.11 [VALUATION OF PROPERTY.] Subdivision 1. ~~Except as provided in subdivision 2,~~ All property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 2. Minnesota Statutes 1974, section 273.11, subdivisions 2 to 5 are repealed.

Sec. 3. This article is effective for the 1975 assessment year and all subsequent years.

## ARTICLE VI

Section 1. Minnesota Statutes 1974, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

For each of the taxable years beginning after December 31, 1970 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, *and as amended by P. L. 93-406, the Pension Reform Act of 1974*, shall be in effect for taxable years beginning after December 31, 1973.

(iv) *The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.*

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under chapter 290, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) Losses which do not arise from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses, and including any such nonassignable losses which occur prior to the time the individual becomes a resident of the state of Minnesota;

(7) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(8) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(9) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1972 1974, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1972 1974, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) or under section 290.09, subdivision 24; and

~~(10) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29.~~

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain;

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Income which does not arise from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20;

(5) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

(6) If included in federal adjusted gross income, the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(7) The amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6; and

(8) The amount of compensation for personal services in the armed forces of the United States or the United Nations which is excluded from gross income under the provisions of section 290.65; and

(9) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, ~~1972~~ 1974, *but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter.*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954,

but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the

amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. Minnesota Statutes 1974, Section 290.26, is amended to read:

290.26 [EMPLOYEES' TRUST, ANNUITY PLANS.] Subdivision 1. [INCOME OF CERTAIN TRUSTS NOT TAXED.] A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall not be taxable under section 290.22 and no other provisions of this act shall apply with respect to such trust or its beneficiary if such trust or beneficiary comes within the provisions of sections 401 and 402 of the Internal Revenue Code of 1954, as amended through December 31, ~~1972~~ 1974 as adapted to the provisions of this chapter under regulations issued by the commissioner of revenue.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Contributions of an employer to an employee's trust or annuity plan and compensation under a deferred-payment plan shall be allowed as a deduction in accordance with the provisions of Section 404 of the Internal Revenue Code of 1954, as amended through December 31, ~~1972~~ 1974 as adapted to the provisions of this act under regulations issued by the commissioner of revenue.

Subd. 2a. [EMPLOYER STOCK OWNERSHIP TRUST CONTRIBUTIONS.] All contributions of an employer to an employee stock ownership trust as defined by section 290.01, subdivision 24, shall be allowed as a deduction in accordance with the provisions of section 404 of the Internal Revenue Code of 1954, as amended through December 31, ~~1972~~ 1974, except that the limitation contained therein on the amount of contributions allowed as a deduction shall not be applicable and in lieu thereof a limitation of 30 percent shall apply. An employer who in any year claims a deduction under this subdivision shall not in that year claim a deduction under section 290.21.

Subd. 3. [DISTRIBUTIONS.] Distributions received by a beneficiary from a trust or annuity plan of the kind described in subdivision 1 or 2 of this section shall be treated in accordance with the provisions of section 290.08, subdivision 4, and sections 402 and 403 of the Internal Revenue Code of 1954, as amended through December 31, ~~1972~~ 1974 as adapted to the provisions of this chapter by regulations issued by the commissioner of revenue.

Subd. 4. [EFFECTIVE DATE.] The provisions of subdivisions 1, 2 and 3 of this section shall be applicable to the same taxable years as provided in section 290.08, subdivision 4, as adapted to the provisions of this chapter by regulations issued by the commissioner of revenue.

Subd. 5. *A custodial account within the meaning of section 401(f) or section 403(b)(7) of the Internal Revenue Code of 1954, as amended through December 31, 1974, shall be treated as a trust under this section.*

Subd. 6. *Any individual retirement account that is exempt from taxation under the provisions of section 408 of the Internal Revenue Code of 1954, as amended through December 31, 1974, shall also be exempt from taxation under the provisions of this chapter.*

Sec. 3. Minnesota Statutes 1974, Chapter 290, is amended by adding a section to read:

[290.032] *Subdivision 1. There is hereby imposed as an addition to the annual income tax for a taxable year of a taxpayer in the classes described in section 290.03 a tax with respect to any distribution received by such taxpayer that is treated as a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1974, and that is subject to tax for such taxable year under section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1974.*

Subd. 2. *The amount of tax imposed by subdivision 1 shall be computed in the same way as the tax imposed under section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1974, except that the initial separate tax shall be an amount equal to ten times the tax which would be imposed by section 290.03 if the recipient was an individual referred to in such section and the taxable net income, excluding the credits allowed in section 290.06, subdivision 3c, and section 290.21, was an amount equal to one-tenth of the excess of*

*(i) the total taxable amount of the lump sum distribution for the year, over*

*(ii) the minimum distribution allowance, and except that references in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1974, to paragraph (1) (A) thereof shall instead be references to subdivision 1 of this section.*

Subd. 3. *The tax imposed by this section on a non-resident individual shall be based only on that part of the lump sum distribution attributable to personal or professional services within this state.*

Sec. 4. Minnesota Statutes 1974, section 290.09, subdivision 29, is repealed.

Sec. 5. *This article is effective for taxable years beginning after December 31, 1973.*

## ARTICLE VII

Section 1. Minnesota Statutes 1974, Section 290.09, is amended by adding a subdivision to read:

*Subd. 30. The amount the taxpayer has paid to others during the taxable year for tuition and book expenses of the taxpayer or his dependent taking a post high school course of instruction in an accredited educational institution including community colleges, state or private colleges or universities, professional schools, vocational schools or accredited para-professional schools. The deduction shall not exceed \$1,000 per student in any taxable year, and the total deduction shall not exceed \$5,000 for any student.*

Sec. 2. *This article is effective for taxable years commencing after December 31, 1974.*

## ARTICLE VIII

Section 1. Minnesota Statutes 1974, Chapter 290, is amended by adding a section to read:

*[290.067] Subdivision 1. There shall be allowed to any person, regardless of age, who owns his homestead, a credit equal to the amount that the property tax payable on the claimant's homestead exceeds six percent of the household income of the claimant in the year for which the taxes were levied. Any credit allowed pursuant to this section shall not exceed \$1,000 for any year.*

*Subd. 2. For purposes of this section "property taxes payable" means the property tax payable on the homestead property reduced by any credit allowed pursuant to sections 290.0601 to 290.0616, 290.0618 and 290.066.*

*Subd. 3. Any person entitled to a credit under this section shall file a claim with the department of revenue on or before June 30. The claim shall be in such form as the commissioner may prescribe and he shall make available to claimants the forms and suitable instructions for filing the claims.*

*Subd. 4. This section shall be administered in accordance with the definitions and procedures provided in sections 290.0601 to 290.0616 and 290.0618, if applicable, and if not inconsistent with the provisions of this section.*

*Subd. 5. There is hereby appropriated from the general fund the necessary amounts to pay the claims allowed by this section.*

Sec. 2. *This article is effective for property taxes due and payable in 1976 and years thereafter.*

## ARTICLE IX

Section 1. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:



[273.139] [HOMESTEAD PROPERTY AND AGRICULTURAL LAND TAX RELIEF.] *Subdivision 1. The property tax to be paid with respect to all real property and class 2a property used for purposes of a homestead and all agricultural land shall be reduced by an amount equal to ten percent of such tax, commencing with the taxes payable in 1976.*

*Subd. 2. Each county auditor shall certify not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from this section in each taxing district in his county. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.*

*Subd. 3. Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine each taxing district's distribution of the amounts certified under subdivision 2. On or before July 15, 1976, and each year thereafter, the commissioner of revenue shall pay to each taxing district one half of its distribution. The remaining one half shall be paid on or before November 15, 1976 and each year thereafter.*

*Subd. 4. There is hereby appropriated from the general fund the amounts necessary to make the payments required by this section."*

Amend the title to read as follows:

"A bill for an act relating to taxation; exempting certain federal income tax rebates from taxation; reducing the privilege and income taxes imposed on corporations, individuals, trusts and estates; increasing personal and dependent credits against income tax; eliminating employer excise tax and farm loss limitation; exempting newsprint from sales and use tax; providing for investment credit; removing limitation on assessment increase; adopting portions of Pension Reform Act of 1974; providing for college education expense deduction, state relief to homeowners for extraordinary property tax burdens, and reduction in property tax due on agricultural land and all homestead property; amending Minnesota Statutes 1974, Sections 273.11, Subdivision 1; 290.01, Subdivision 2; 290.031 by adding a subdivision; 290.06, Subdivisions 1 and 3c; 290.06 by adding sections; 290.09 by adding a subdivision; 290.26; 297A.14; 297A.25, Subdivision 1; Chapter 273 by adding a section; Chapter 290 by adding a section; repealing Section 273.11, Subdivisions 2 to 5; and Section 290.09, Subdivision 29."

There were yeas 8 and nays 10 as follows:

Those who voted in the affirmative were:

Bang, Berg, Blatz, Frederick, Jensen, Larson, O'Neill and Sillers.

Those who voted in the negative were:

Chmielewski; Coleman; Conzemius; Gearty; Hansen, Baldy; McCutcheon; Olson, A. G.; Perpich, A. J.; Schrom and Wegener.

The amendment was not adopted.

Mr. Arnold from the Committee on Finance, to which was re-referred

H. F. No. 1758: A bill for an act relating to the organization and operation of state government; imposing regulations for community 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, community colleges, higher education coordinating commission, and moneys for medical education.

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

Strike everything after the enacting clause and insert:

"Section 1. EDUCATIONAL PURPOSES, APPROPRIATIONS. Except as herein otherwise provided, the sums hereinafter set forth in the columns designated "APPROPRIATIONS", or so much thereof as may be necessary, are hereby appropriated out of the general fund in the state treasury or any other fund herein designated for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures "1976", and "1977" wherever used in this act, shall mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1976, and 1977 respectively.

#### APPROPRIATIONS

Available for the Year

Ending June 30,

	1976	1977
\$		\$

#### Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. General Academic and Related Services ..

1,821,883	1,300,123
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(1) Salaries, supplies, and expenses

\$1,821,883	\$1,300,123
-------------	-------------

	1976	1977
	\$	\$
Of the amount provided by this subdivision, \$14,100 each year is appropriated from the trunk highway fund.		
Provided that notwithstanding the provisions of Minnesota Statutes, Sections 121.26 and 125.08 to the contrary, the fee for registering with the teachers employment bureau shall not be less than \$10, and the fee for a certificate to teach or for a renewal or extension of certificate to teach shall not be less than \$10.		
Subd. 2. Vocational Technical Instruction and Related Services .....	557,160	563,969
(1) Salaries, supplies, and expenses		
\$ 557,160   \$ 563,969		
Subd. 3. Special and Compensatory Instruction and Related Services .....	741,691	747,280
(1) Salaries, supplies, and expenses		
\$ 341,691   \$ 347,280		
(2) Claims, grants, and shared revenue		
(a) Indian scholarships		
\$ 400,000   \$ 400,000		
Any unexpended balance remaining in (a) in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 4. Education Planning, Innovative Developmental and Evaluative Services .....	702,627	704,296
(1) Salaries, supplies, and expenses		
\$ 202,627   \$ 204,296		
(2) Claims, grants, and shared revenue		
\$ 500,000   \$ 500,000		

	1976	1977
	\$	\$
Subd. 5. School Management and Services .....	2,435,742	2,841,440
(1) Salaries, supplies and expenses		
\$ 414,742   \$ 420,440		
(2) Claims, grants, and shared revenue		
\$2,021,000   \$2,421,000		

Of the amount provided in (2) of this subdivision, so much thereof as is necessary shall be used for the type "A" lunch program to be distributed under standards established by the state board of education. Additional amounts of \$781,000 in 1976 and \$1,181,000 in 1977 are included in (2) and shall not be available to replace the use of soft match as originally provided in the budget request.

Subd. 6. Auxiliary and General Support Services .....	5,072,430	3,741,074
(1) Salaries, supplies, and expenses		
\$1,758,687   \$1,823,754		
(2) Claims, grants, and shared revenue		
\$3,313,743   \$1,917,320		

There is established in the state treasury a Minnesota educational computing consortium account. There is hereby appropriated from the general fund to the Minnesota educational computing consortium account the sum of \$150,000. The department shall charge MECC users for on-line computer time actually used, such receipts shall be deposited in the Minnesota educational computing consortium account, and are hereby reappropriated to the Minnesota educational computing consortium.

The department of education

	1976	1977
	\$	\$
in consultation with MECC shall submit to the chairman of house appropriations and the chairman of senate finance no later than June 30 and December 31 of each year a progress report, proposed plans, and expenditures.		
Any unexpended balance remaining in (2) in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 7. Public Library Services .....	2,400,000	2,600,000
(1) Salaries, supplies, and expenses		
\$ 314,021   \$ 328,271		
(2) Claims, grants, and shared revenue		
\$2,085,979   \$2,271,729		

Any unexpended balance remaining in (2) in the first year shall not cancel but shall be available for the second year of the biennium.

These funds may be granted for the improvement of library services at welfare and corrections institution libraries and for library services to the blind and physically handicapped. These funds shall not exceed in either year the amount provided for fiscal year 1974.

A public library is a public library serving 20,000 or more persons or serving less than 20,000 persons with the approval of the commissioner of education and receiving annually from public funds financial support of at least one mill on the assessed valuation of the taxable property in the area served by the library.

To qualify for the state library

1976

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grant herein authorized, local levies for libraries shall not be less than the library levies in effect January 1, 1975. All of the above funds are limited to operating purposes only.

Applications for financial assistance shall contain such information as the department requires including descriptions of areas served by the applicant and the number and distribution of persons residing therein; the local plan of the applicant for promoting library service in the areas it serves and an estimate of the financial assistance to put such a plan in effect, and a statement of the ability of local government within the area served by the applicant to finance operations out of public funds raised by local taxes. Financial assistance shall be granted to an eligible applicant proposing an economical and practical plan for the promotion of library service in the area in such amount and subject to such conditions as the department determines after considering the information contained in the application for assistance and the total amount of state and federal funds available for the promotion of library service in the state.

Provided that no state funds shall be used for construction of library facilities.

Subd. 8. Vocational Rehabilitation .....

2,770,679

3,167,303

(1) Salaries, supplies and expenses and counseling and care of persons

\$1,550,425    \$1,689,486

	1976	1977
	\$	\$
(2) Claims, grants, and shared revenues		
\$ 84,795   \$ 93,078		
(3) Long-term sheltered workshop and work activity		
\$1,135,459   \$1,384,739		

Any unexpended balance remaining in (3) in the first year shall not cancel but shall be available for the second year of the biennium.

Any additional federal funds which are made available to the state of Minnesota after April 1, of any fiscal year by the department of H.E.W. as a result of reallocation of funds returned by other states may be carried over and expended in the next fiscal year. None of the amounts appropriated in subdivisions 3, 4, 5, 6, 7, and 8 listed as claims, grants and shared revenues or long term sheltered workshops on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of administration, shall be transferred to any other expenditure category other than that for which it was appropriated.

The number of state funded positions shall not exceed the number shown on official worksheets.

### Sec. 3. STATE COLLEGE BOARD

Subdivision 1. Maintenance and Equipment.....	52,034,856	53,099,194
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The amounts appropriated in subdivisions 1 and 2 include a sum in each year for recruit-

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ment of unclassified staff. Candidates for positions in the state college board central office or in a state college who have been invited by the state college board for interview, may be reimbursed for travel and subsistence expenses in the same manner and amounts as state employees. This reimbursement may be made from college imprest cash funds.

In developing new programs with the funds provided herein the state colleges shall, wherever appropriate and educationally sound, attempt to employ excess faculty resulting from declining or shifting enrollments.

Subd. 2. Metropolitan State College .....

1,231,638

1,511,315

The above amount shall be used by the state college board for operating an educational program for a state college center as organized in the seven county metropolitan area. The center may operate in facilities acquired through the commissioner of administration by gift or lease. The faculty and staff of the state college system shall provide assistance in developing curricular and educational programs for the college.

Subd. 3. State College Board Contingent .....

750,000

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

In the event the enrollment of full time equivalent students enrolled exceeds the budget



	1976	1977
	\$	\$
<p>estimates of 31,022 full time equivalents the first year and 31,260 full time equivalents the second year of the biennium for the total state college system, it is the intent of the legislature to provide additional teaching positions at a ratio of one position for each 19 full time equivalent undergraduate students, and one position for each 13 graduate students in excess of the biennial budget enrollment estimates for each year of the biennium.</p> <p>It is the intent of the legislature that any salary adjustments or other payments mandated by court action, a qualified administrative agency, or because of settlement of litigation in process be financed from the contingent fund.</p> <p>The above appropriation is to be expended with the approval of the governor after consultation with the legislative advisory committee as provided by Minnesota Statutes, Section 3.30.</p>		
Subd. 4. Student Loans—State Matching .....	175,000	175,000
<p>The above appropriation shall be used as state's matching share for any federal student aid or loan program.</p> <p>Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium. No portion of the appropriation shall be used to defray obligations incurred prior to July 1, 1975.</p>		
Subd. 5. General Research....	25,000	25,000
None of this appropriation		

	1976	1977
	\$	\$
shall be allotted or encumbered until a research project has been approved by the state college board. Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 6. Repairs and Betterments .....	1,456,000	

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

All receipts of every kind, including but not limited to students' tuition and fees, federal receipts, aids, contributions, and reimbursements in all state colleges are reappropriated to the state college board, but subject to budgetary control by the commissioner of administration, except the following receipts not subject to budgetary control by the commissioner of administration.

(a) those attributed to dormitory functions handled under Minnesota Statutes, Sections 136.31 to 136.38, and

(b) those attributable to college activity funds (including, for example, receipts from vending machines in buildings other than dormitories and student unions), and

(c) those attributable to grants for special projects, institutes, and similar activities subject to Minnesota Statutes, Sections 136.143 and 136.144.

A report shall be submitted to the 70th session of the legislature as to the use of all such excepted funds.

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The state college board is hereby authorized to transfer funds within the various college operating accounts of the maintenance and equipment appropriation account after the close of a fiscal year; provided such transfers are in accordance with the Laws of 1949, Chapter 230, Section 1, Subdivision 8.

Grants awarded to the state college system by any state agency shall be transferred to the accounts of the state college board. Such transfers shall be by journal voucher or a request for transfer of funds as deemed most appropriate by the commissioner of finance.

During the 1975-77 biennium, the state college board shall identify nonacademic unclassified positions in the state college system for transfer to the classified state service. Persons in employee status in such positions at the time of transfer shall be transferred into the classified service of the state without competitive examination, and shall be placed in the proper classifications by the commissioner of finance, provided, however, that the salary of any present incumbent shall not be reduced because the range maximum is lower than his or her present salary. Personnel occupying positions transferred may continue in the retirement programs in which they currently participate. Employees who have been employed by the colleges more than one year shall be granted permanent status; those employees with

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less than one year of service will be placed on probationary status. The above provisions shall be effective notwithstanding any other provisions of law to the contrary.

Notwithstanding any other law to the contrary, reimbursements are appropriated for use during the fiscal year in which they are received.

Notwithstanding the provisions of any law to the contrary, Minnesota metropolitan state college is authorized to deposit tuition receipts received during the final quarter of each fiscal year in a suspense account. The balance in such an account shall not cancel on June 30 but shall be available in the next fiscal year.

The state college board may allocate, not to exceed \$3,000 annually, to each college president and the office of the chancellor for miscellaneous expenses in connection with the state college system. The provisions of Minnesota Statutes, Chapter 16, shall not apply to such expenditures but the state college board shall prescribe the manner, amount, and purpose of such expenditures and report thereon to the 1977 legislature.

Notwithstanding the provisions of Minnesota Statutes, Section 136.06, or any other law to the contrary, expenses incurred in travel outside of the state of Minnesota shall be paid upon prior authorization of the chief executive officer or president of the state college board. No other approval shall be required.

The state college board is

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authorized to utilize up to \$200,000 of the maintenance and equipment appropriation each year for regional and community service projects provided that the agency or local unit of government receiving such services shall reimburse the college system for not less than one third their cost. Receipts so derived shall be treated as tuition for enrollment and budgetary purposes.

Notwithstanding any provision in Minnesota Statutes, Chapter 16, which may indicate the contrary, when the state college board so requests, technical educational equipment may be procured for the state colleges either by brand designation or in accordance with standards and specifications which the board may promulgate.

In addition to the fees prescribed by Minnesota Statutes, Section 136.11, the state college board may prescribe fees to be charged students for college activities, functions, and purposes.

Notwithstanding any other provision of law to the contrary, the state college board may make refunds to students for tuition, activity fees, union fees and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The state college board shall obtain the approval of the public examiner for the procedures used in carrying out the provisions of this para-

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graph.

The state college board may waive tuition on institutes, courses or projects when the sponsor pays all costs.

Notwithstanding the provisions of any law to the contrary, the state college board is authorized to provide for the orderly replacement of aircraft. An equipment suspense account shall be established by the commissioner of finance within the general fund. All receipts which are attributable to the operation or use of such aircraft are hereby reappropriated to the state college board. These receipts, or such portion thereof as may be designated by the board, shall be credited to the equipment suspense account. Any balance in this account shall not cancel at the end of a fiscal year but shall remain available for transfer at the request of the board to its maintenance and equipment account.

The state colleges are authorized to charge a placement service registration fee of \$10 to each student or graduate upon registration with the college placement service.

The state college board is authorized to contract for hospital benefits coverage and medical benefits coverage for students in the same manner as authorized by Minnesota Statutes, Section 43.45.

The provisions of Minnesota Statutes, Section 136.13, notwithstanding, the state college board may hold its annual meeting on any day in the month of May.

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All other provisions of law notwithstanding, the state college board is hereby authorized to demolish Lawrence hall at St. Cloud state college provided that a comprehensive space requirement study indicates such demolition represents the most economical course of action. Such demolition shall be accomplished at no cost in appropriated funds and shall not be initiated without the approval of the chairmen of the house appropriations and senate finance committees.

The commissioner of administration is authorized to offer for sale of selected buildings on the Mankato lower campus in accordance with the overall plan submitted to the legislature by a report authorized in Laws 1973, Chapter 516, Section 3.

Such sale shall not be authorized without approval of the chairman of the senate finance committee and the chairman of the house appropriations committee.

Sec. 4. UNIVERSITY OF MINNESOTA, COORDINATE CAMPUSES AND EXPERIMENT STATIONS .....

115,769,904

119,091,870

Subdivision 1. Maintenance and Operations

The board of regents of the university may use any money not specifically appropriated for other purposes for acquiring land by purchase or condemnation. In case it is desired to use the fund for the acquisition of land, the power of eminent domain may be exercised in accordance with Minnesota Statutes, Chapter 117.

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No land shall be purchased and no buildings shall be constructed or erected on lands of the university until the regents have first consulted with the chairman of the senate finance committee and the chairman of the house appropriations committee and obtained their recommendations which shall be advisory only.

The Board of Regents shall direct a review of the admission policies of all the professional and graduate schools of the University of Minnesota. A preliminary report outlining the scope and method of the review to be employed shall be submitted to the legislature not later than August 15, 1975 and a final report shall be forwarded by January 1, 1976.

Provided that these appropriations for maintenance and operations are made from revenues accruing to the university from:

(1) the investments of the permanent university fund; and

(2) the occupation tax on iron ore.

If such revenues are insufficient, the remainder of such appropriations are advanced and appropriated from any moneys in the state treasury credited to the general fund. The income derived from the investment of the permanent university fund is hereby appropriated to the board of regents pursuant to Minnesota Statutes, Section 137.022.

For the purposes of these appropriations it is estimated that the income to be derived from the investment of the



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permanent university fund will not exceed \$2,532,006 for the first year and \$2,563,506 for the second year. If at the end of any fiscal year there are unexpended revenues accruing to the university from the occupation tax on iron ore, the general fund shall be reimbursed therefrom to the extent that payments have been made from the general fund during such fiscal year pursuant to these appropriations. The board of regents shall certify to the commissioner of finance at the end of each quarter the amounts of earnings derived from the investment of the permanent university fund and if the income derived from the investment of the permanent university fund during any fiscal year exceeds the amounts herein stated, the amounts payable from the general fund shall be reduced accordingly. For budgetary purposes it is estimated that the foregoing appropriation from the general fund will not exceed the sum of \$111,862,898 the first year and \$115,153,364 the second year.

On October 1, 1976, and 1977, the president of the university of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of administration the following information:

(1) the total amount of receipts during the fiscal year 1976 from all sources in excess of \$55,481,000 and during the fiscal year 1977 from all sources in excess of \$59,190,000.

	1976	1977
	\$	\$
(2) the sources of said receipts; and		
(3) the purposes for which any excess receipts were expended and accounts to which transferred.		
The appropriation in section 4 for fiscal year ending June 30, 1976, includes deficiency funds for fuel, Diehl hall equipment and Wisconsin veterinary medicine reciprocity agreement which shall not become a part of the expenditure base.		
Subd. 2. Student Loans — State Matching .....	197,500	197,500
The above appropriations shall be used as state's matching share for any federal student aid or loan program. Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 3. Library Supplement.	675,194	675,312
Subd. 4. Summer School Tuition and Continuing Education Supplement .....	791,499	832,652
Provided that the board of regents shall expend the funds to equalize tuition rates among undergraduate students for regular session, summer session and extension programs in order to facilitate to the maximum the use of campus units, buildings and staff.		
Subd. 5. For the Support of the University of Minnesota Technical College — Crookston .....	1,432,838	1,575,540
Subd. 6. Waseca Technical College .....	989,103	942,312

The appropriations in Subdivisions 5 and 6 shall be incor-

	1976	1977
\$		\$

porated into the university of Minnesota maintenance and operation section, Section 4, Subdivision 1, in this biennium. Separate accounting reports of actual expenditures shall be available to the senate finance and house appropriations committees.

**Sec. 5. FOR CARE OF INDIGENT COUNTY PATIENTS TO BE RENDERED BY THE UNIVERSITY OF MINNESOTA HOSPITALS, INCLUDING THE HEART HOSPITAL**

Subdivision 1. For State's Share of Expenses of County Indigent Patients . . . . .

1,580,000	1,700,000
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A county under this appropriation will be reimbursed for 70 percent of the expense charged against a patient at the university hospital up to \$5,000 in accordance with Minnesota Statutes, Chapter 158. A charge against a patient in excess of \$5,000 will be paid by the state. Except as otherwise herein set forth, the other provisions of the cited statute shall continue in force and effect.

Subdivision 1 shall include and cover the amounts which may become due to the university of Minnesota from the state during the fiscal years covered by said subdivision.

There is further appropriated to the university of Minnesota the following sum, or so much thereof as may be necessary, for the purpose of reimbursing the said university for the sum due from counties during said fiscal years under the provisions of said acts, payments to be made quarterly out of said appropriation, as shown by

1976

1977

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certificates filed with the commissioner of finance pursuant to the provisions of Minnesota Statutes, Chapter 158. ....

470,000

500,000

The commissioner of finance is authorized and directed to pay the university out of sums collected from counties under the provisions of said chapter 158, during the fiscal years ending June 30, 1976, and June 30, 1977, respectively, an amount sufficient to reimburse said university in full for the amount due it from counties during said fiscal year as shown by certificates filed with the commissioner of finance, and a sum sufficient to make such payments is hereby appropriated.

Sec. 6. SPECIAL HOSPITAL, COMMUNITY SERVICE, AND EDUCATIONAL OFFSET. ...

4,657,459

4,778,683

Fees for service furnished to counties and individuals under this item shall be sought to augment the sum hereby appropriated, which said fees are hereby reappropriated to said university hospital.

Sec. 7. FOR VARIOUS EXPERIMENTS AND INVESTIGATIONS TO BE CARRIED ON UNDER THE DIRECT SUPERVISION OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Agricultural Extension Service .....

5,346,779

5,622,597

This subdivision includes the items of agricultural extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. Any salary increases granted to personnel provided for by this subdivision by the university shall not

	1976	1977
	\$	\$
result in a reduction of the county portion of the salary payments.		
This appropriation includes funds for each year for the potato and sugar beet extension program in the Red River Valley, contingent on an equal amount being provided by the state of North Dakota.		
The appropriation includes funds for irrigation and marketing development project.		
Subd. 2. General Agricultural Research .....	4,554,615	4,653,309
The above appropriation includes funds for research on aquatic plants including wild rice.		
Subd. 3. Veterinary Diagnostic Laboratory and Veterinary Medicine Teaching Hospital ..	437,726	466,615
Subd. 4. Geological Research .	239,855	243,171
Subd. 5. Lake Superior Basin Studies .....	58,672	60,554
The university shall submit a progress report to the 1977 legislature.		
Subd. 6. General Research. . . .	2,160,065	2,305,475
This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, institution of child development; special education training and research, training for careers in fire prevention and protection, center for urban and regional affairs, criminal justice studies, museum of natural history, project Newgate, and juvenile justice seminar.		
Subd. 7. Industrial Relations Education Program .....	301,921	346,981

	1976	1977
	\$	\$
The above appropriation includes funds for short courses, programs, and seminars for labor and management.		
Subd. 8. Duluth Branch . . . . .	1,284,527	1,521,385
(a) Basic Sciences Program for Medical Training		
(b) Dental Hygiene Program .	182,404	191,032
(c) Graduate School of Social Work . . . . .	429,082	450,845
(d) Industrial Education Equipment . . . . .	70,000	
The amount in (d) shall be used to rent equipment where rapid obsolescence makes that more appropriate than purchasing.		
(e) Vocational-Technical Education Reimbursement . . . . .	5,000	5,000
Subd. 9. Freshwater Biological Research Institution . . . . .	100,000	100,000
Subd. 10. Vocational-Technical Education Reimbursement—Twin Cities . . . . .	60,000	60,000
Subd. 11. Legislative Research and Drafting . . . . .	15,000	
Subd. 12. Medical Research ..	971,812	1,014,996
The above amount includes funds for cancer research and control of hypercholesterolemia.		
Subd. 13. Undergraduate Instruction of Medical students at (1) Hennepin County General Hospital, (2) St. Paul Ramsey Hospital, and (3) Private Hospitals.	1,595,418	1,758,034
Subd. 14. Graduate Residency Program . . . . .	3,032,255	3,328,251

All hospitals receiving any portion of the above appropriation shall furnish the house

	1976	1977
	\$	\$
appropriations and senate finance committees with a full report no later than December 31, 1975, of all actual and reasonable costs resulting from graduate family practice residency education, and all fees and income to the hospital generated by the graduate residents in family practice and the purposes for which such funds were expended.		
The commissioner of finance, in cooperation with the university of Minnesota, shall prepare a form to be used by all hospitals making such reports. The commissioner of finance shall also issue guidelines for hospitals to use in determining costs and income related to family practice residency education.		
Expenditures from this appropriation may be made only for activities directly related to the training of doctors in family practice.		
Subd. 15. Medical Services and Instruction .....	929,173	988,291
The above amount includes funds for the rural health physicians' associate program, drug abuse information and education, and allied health—nurse-clinician generalist program.		
Subd. 16. Family Practice and Community Health. ....	1,087,150	1,237,685
This appropriation shall be incorporated into the maintenance and operations, Section 4, Subdivision 1, in this biennium.		
Subd. 17. Hormel Institute—Austin .....	107,214	107,949

1976

1977

\$

\$

To support the operation of the institute and to promote research by such institute.

From the appropriation made to the university of Minnesota by this act and from other sources all nonacademic employees shall be paid a salary comparable to the salaries paid to state employees in the classified state civil service.

The appropriations made to the university of Minnesota by this act include funds for the employers share of social security, state retirement, and health insurance and such funds shall be expended only for these purposes. Any funds provided for these purposes by this act that are in excess of the employers share shall be returned to the state treasury. None of the appropriations made in this act, with the exceptions of the appropriations for the university of Minnesota hospitals or made in this or other acts toward buildings, shall be made to the university by the commissioner of finance until the university first certifies to the commissioner of finance that its aggregate balances in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7 million plus one third of all tuition and fee payments from the previous fiscal year. Upon such certification, one twelfth of the annual appropriation to the university shall be paid at the beginning of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances



1976

1977

\$

\$

in the temporary investment pool, cash, or separate investments, are reduced below the indicated levels.

No payment of appropriations toward buildings shall be made by the commissioner of finance until all balances separately invested, including cash, and those in the temporary investment pool attributable to all state building funds shall be reduced below \$5 million. Payment shall then be made upon certification of the amounts needed for construction payments, but so as not to increase the building balances in cash, separately invested, or in the temporary investment pool, to a total above \$5 million.

Appropriations not paid to the university in any fiscal year shall carry over to the following fiscal year.

Moneys not paid to the university by reason of the foregoing requirements shall be invested by the state in those securities authorized by Minnesota Statutes, Section 11.10 until paid to the university. Income from investments shall be credited to the general fund in the state treasury.

In preparing legislative budget request for the 1977-1979 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

#### Sec. 7. MAYO MEDICAL

SCHOOL .....

1,200,000

1,224,000

The state of Minnesota shall pay a capitation of \$8,000 for each student who is a resident of Minnesota for a maximum

of 40 such students in each class.

The administration of Mayo shall direct a review of the admissions policies of the Mayo medical school. A preliminary report outlining the scope and method of the review to be employed shall be submitted to the legislature not later than August 15, 1975 and a final report shall be forwarded by January 1, 1976.

#### Sec. 8. MINNESOTA BOARD OF NURSING

	1976	1977
	\$	\$
Nursing Scholarships .....	125,000	125,000

#### Sec. 9. MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

Subdivision 1. Salaries and Expenses .....	755,068	648,060
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This appropriation includes funds for the administration of the state scholarship, state grant-in-aid, student loan, budget review, program review, and private college contracts.

Subd. 2. State Scholarship Program .....	5,000,000	6,000,000
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Subd. 3. State Grant-In-Aid Program .....	8,500,000	10,500,000
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Subd. 4. Work Study Program .....	1,500,000	
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Subd. 5. Minitex Library Program .....	350,000	350,000
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The commission, in cooperation with the state community college system, the state college system, the university of Minnesota, and the Minnesota private colleges, shall be responsible for coordination and management of the minitex library program.

	1976	1977
	\$	\$
Subd. 6. Private College Contracts .....	3,200,000	4,000,000
Subd. 7. Regional Coordination and Service .....	130,000	

The higher education coordinating commission is directed to develop and administer regional postsecondary education projects aimed at improving the efficiency and effectiveness of postsecondary education in meeting regional needs through increased interinstitutional cooperation and coordination of programs and planning within a region. In developing the experimental projects, the commission shall attempt to (1) improve the accessibility of all levels of postsecondary education to residents of the regions, (2) eliminate any unwarranted duplication of effort in the regions, (3) facilitate effective use of postsecondary education facilities and services for meeting regional needs, (4) provide for more effective liaison between regional planning and coordination of post-secondary education with regional planning and coordination of other public services, and (5) test means for accomplishing greater interinstitutional cooperative efforts for meeting local and regional needs of Minnesota residents. The commission shall report on the results of the experimental regional projects in its next biennial report to the governor and the legislature. All post-secondary institutions and systems are requested to cooperate with and to assist the commission in developing these projects.

	1976	1977
	\$	\$
Subd. 8. Medical Student Loan Reserve .....	17,550	27,300
<p>The appropriations in the sum of \$1,000,000 contained in Laws 1973, Chapter 768, Section 14, Subdivision 8, may be used by the commission for costs incurred in administering the provisions of this act. The balance of the appropriation not required for administrative costs shall constitute a reserve fund which may be invested by the commission. Any interest which accrues on such investment shall inure to the commission and shall be available for either administrative costs or additions to the reserve fund at the discretion of the commission. The reserve fund shall not cancel and shall be available to the commissioner for as long as the programs provided by the provisions of this act are in effect. The commission may use the reserve fund established by the appropriation for fulfilling the income contingent provisions of this act as well as for the general purposes of the reserve fund in accordance with the provisions of this act.</p> <p>The appropriation in the sum of \$100,000 contained in Laws 1973, Chapter 727, Section 4, shall not cancel but shall be available to the commission for so long as bonds for medical student loans are outstanding.</p>		
Subd. 9. Education of Dependents .....	10,000	10,000
Subd. 10. Foreign Student Loan .....	80,000	80,000
The commission is authorized		

1976

1977

\$

\$

and directed to supervise a student loan program in accordance with Minnesota Statutes, Section 136A.14 to 136A.17.

The higher education coordinating commission is hereby directed to take the necessary steps to encourage and expand the sharing of facilities and course offerings, through cross-registration or other appropriate means, between all public and private institutions of higher learning in Minnesota. A report showing the achievements and progress as well as recommendations for improvements and progress in this area shall be submitted to the 1977 legislature no later than January 1, 1977.

For the purpose of improved communications between all segments of public and private post-secondary education, the advisory council of the higher education coordinating commission in the deliberations and discussions of the commission. Members of the advisory council shall, however, not vote on any matter before the commission.

Any unexpended balance remaining the first year in subdivision 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 shall not cancel but shall be available for the second year of the biennium.

Sec. 10. STATE COMMUNITY COLLEGE BOARD ...

22,839,747

23,258,459

Subdivision 1. Maintenance and Equipment

The above appropriation is for maintenance and equipment of the state community college board and the state commu-

1976

1977

\$

\$

nity colleges. The state community colleges are encouraged to use off-campus courses to extend the benefits of this appropriation to as many Minnesota residents as possible.

The amounts appropriated in subdivision 1 include a sum in each year for recruitment of faculty. Candidates for twelve month administrative positions and for academic positions who have been invited by the state community college board for interview may be reimbursed for travel and subsistence expenses in the same manner and in the same amounts as state officers and employees.

Subd. 2. Occupational Program Development .....

450,000

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

All receipts of every kind, nature and description, including student tuition and fees, all federal receipts, aids, contributions and reimbursements in all the state community colleges are hereby reappropriated to the state community college board, but are subject to budgetary control to be exercised by the commissioner of administration.

The state community college board is authorized to establish activity funds, except for dormitory purposes, and imprest cash funds, to waive tuition charges and to act as agent and accept the benefits of public law 88-452, known as the economic opportunity act of

	1976	1977
	\$	\$
1964, as amended, public law 85-864, known as the national defense education act of 1958, as amended, to the same extent and subject to the same conditions as such authority is vested in the state college board. Minnesota Statutes, Sections 136.56, 136.045, 136.-142, 136.143, 136.144, 136.171, 136.22, 169.966, 352.01, Subdivision 2a(6), also apply to the state community college board and the state community colleges in the same manner as to the state college board and the state colleges.		
All receipts attributable to the college activity funds and deposited in the state treasury are hereby reappropriated to the state community college board and are not subject to budgetary control as exercised by the commissioner of administration.		
Notwithstanding any other law to the contrary, reimbursements are appropriated for use during the fiscal year in which they are received.		
Subd. 3. Student Loan Program — State Matching . . . .	75,000	85,000
The above appropriation shall be used as state's matching share for any federal student aid or loan programs.		
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 4. State Community College Board Contingent . . . . .	300,000	
Any unexpended balance remaining in the first year shall not cancel but shall be avail-		

	1976	1977
	\$	\$

able for the second year of the biennium.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory committee, as provided by Minnesota Statutes, Section 3.30.

Subd. 5. Repairs and Betterments .....	317,778	317,778
Subd. 6. Special Assessment .	41,500	

Employees of the department of education, state college board, and community college board participating in a tax sheltered annuity program other than the one administered by the state of Minnesota shall be charged for administering such plan. The proper charge shall be 2% of the amount being invested. All receipts shall be deposited in the general fund.

#### Sec. 11. WORKMEN'S COMPENSATION

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

State College Board .....	108,502.26
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#### Sec. 12. UNEMPLOYMENT COMPENSATION .....

215,751.21

In reimbursement of unemployment compensation benefits paid for former employees of the state college board.

Sec. 13. UNOBLIGATED BALANCES ON HAND, CANCELLED INTO GENERAL FUND. Except the revolving fund for the on-the-job training program, the unobligated balances



on hand as of June 30, 1975, June 30, 1976, June 30, 1977, in the several appropriations and accounts for which an appropriation is made herein, unless otherwise excepted in this act, are hereby cancelled into the general fund for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977 and the unobligated balances on hand as of June 30, 1975, June 30, 1976, and June 30, 1977 appropriated out of any other funds, shall be cancelled into the fund from which they are appropriated as of June 30, 1975, June 30, 1976, and June 30, 1977.

Sec. 14. INCOME, FEES, RECEIPTS, DEPOSITED IN GENERAL FUND. Except as herein otherwise specifically provided, except the income to the university of Minnesota, and except all federal aid, contributions, or reimbursements received for any account of any division, institution or department for which an appropriation is made in this act, all income, including fees or receipts of any nature whatsoever, shall be deposited in and for the benefit of the general fund.

Sec. 15. APPROVED COMPLEMENT. Whenever an appropriation to any department or agency for salaries discloses an approved complement, that department or agency is limited in the employment of the number of full time equivalent persons including part time and seasonal employees indicated by such approved complement.

Except as otherwise provided in this act, 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 created by Laws 1943, Chapter 594, and such committee has made its recommendation upon the matter. Such recommendation shall be advisory only. Failure or refusal of the committee to make a recommendation promptly shall be deemed a negative recommendation. The provisions hereof shall extend to any other agency to which the present authority of the legislative advisory committee may be transferred, but shall be deemed to be repealed in case such authority shall be abolished.

Sec. 16. Any moneys made available to any state department or agency by this act by appropriation, transfer or otherwise for the payment of salaries is a source of revenue to such department or agency under the provisions of Minnesota Statutes, 1971, Section 355.50 and 352.04, Subdivision 5.

Sec. 17. In order to enable the state to match the cost of any program under Title I of the Higher Education Act of 1965, any receipts accruing to any state department or agency by reason of service performed for the university of Minnesota in connection with such program shall be deposited in the state treasury. Such receipts are hereby reappropriated to the department or agency making the deposit, to be used as part of the state's 25 percent share of the cost of such programs. The balance of the state's share of the cost of such programs is payable by

the participating departments or agencies from any moneys appropriated for salaries, supplies and expenses.

Sec. 18. Notwithstanding the provisions of any law to the contrary, the administrative expenses of the supplemental retirement plan established pursuant to Minnesota Statutes 1971, Sections 136.80 to 136.87 shall be paid from the portion of the cash realized on the redemption of shares pursuant to Minnesota Statutes 1971, Section 136.82, Subdivision 1, Clause 5 which becomes the property of the supplemental retirement account of the teachers retirement fund. The balance of said cash after payment of said expenses shall be prorated as thereafter provided in Minnesota Statutes 1971, Section 136.82, Subdivision 1, Clause (5). The amount of \$12,500 is hereby annually appropriated to the teachers retirement association from the cash balance described herein for said purposes."

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

Mr. Arnold from the Committee on Finance, to which was referred

H. F. No. 1741: A bill for an act relating to the organization and operation of state government; appropriating money for the conservation and development of the state's natural resources; providing for maintenance of the Minnesota historical society; for the horticultural society; for maintenance of the Sibley house; for maintenance of various semi-state activities; for aids to local subdivisions of government; for maintenance of the uniform laws commission; for the Port Authority of Duluth; and for other purposes.

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

Strike everything after the enacting clause and insert:

"Section 1. APPROPRIATIONS. The sums hereinafter named, or so much thereof as may be necessary, are hereby appropriated out of the general fund in the state treasury, or any other fund herein designated for the purposes specified in the following sections of this act, to be available for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

#### APPROPRIATIONS

Available for the Year

	1976	1977
\$		\$

#### Sec. 2. GENERAL GOVERNMENT

Subdivision 1. Minnesota-Wisconsin Boundary Area Commission .....

41,200	46,000
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	1976	1977
	\$	\$
1975—\$6,000		
Provided that the amount that may be expended shall not exceed the amount provided for the commission by the state of Wisconsin.		
Subd. 2. Uniform Laws Commission		
(a) For expenses . . . . .	9,900	9,900
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 3. The Great Lakes Commission . . . . .	27,500	27,500
Sec. 3. DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES		
Subdivision 1. State Horticultural Society		
(a) For maintenance . . . . .	20,000	20,000
Sec. 4. SOCIAL SECURITY		
Subdivision 1. Minnesota Veterans Home		
(a) Maintenance and repairs . .	651,946	678,503
Of the amounts appropriated by item (a), including such additional federal funds and dedicated receipts as may be available for maintenance and repair not to exceed \$1,300,410 is for salaries for the year ending June 30, 1976, and \$1,301,710 is for salaries for the year ending June 30, 1977, but may be augmented by such specific sums as are appropriated for salary increases by the 1975 legislature.		
Of the amounts appropriated by item (a), no additional classified employees shall be		

	1976	1977
	\$	\$
granted beyond the approved roster of 100 classified employees.		
Federal aid, compensation, or reimbursement from the federal government or otherwise received by the Minnesota veterans home, and all receipts from maintenance charges are hereby reappropriated to be used for the purpose of supplementing the appropriation herein provided for, however, any income in excess of \$1,402,300 for fiscal year 1976, and \$1,462,300 for fiscal year 1977 shall reduce the general fund appropriation by a like amount.		
No portion of the money appropriated for salaries shall be used to pay merit increases to employees in the unclassified service.		
No commissary privileges including food, laundry service, janitorial service, and household supplies shall be furnished to any employees paid from this appropriation.		
(b) Repairs and replacements.	30,000	
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 2. Miscellaneous Accounts		
(a) Disabled American Veterans		
1. For salaries, supplies, and expense to be expended as provided by Laws 1941, Chapter 425 .....	10,000	10,000
(b) Veterans of Foreign Wars		

	1976	1977
	\$	\$
1. For carrying out the provisions of Laws 1945, Chapter 455 .....	9,250	9,250
Sec. 5. EDUCATION, LIBRARIES, MUSEUMS AND RECREATION		
Subdivision 1. For Minnesota Historical Society		
(a) Grants and aids.....	2,255,705	2,396,502

From the appropriation made to the historical society by this act, employees, with the exception of the director, shall be paid a salary comparable to the salaries paid to state employees in the classified state civil service. The appropriation includes funds to provide for a seven-day-a-week tour program in the capitol and historical buildings. The historical building shall remain open for public use on Saturdays and, if necessary, adjustments in the remainder of the week day schedule may be effected by the Minnesota historical society. Notwithstanding any other laws to the contrary, the society may purchase fire, wind, hail and vandalism insurance from this appropriation. The amount of funds necessary to meet expenses shall be paid to the society upon certification by the director of the Minnesota historical society of this amount to the commissioner of finance. Any unexpended balance remaining at the end of the first year shall be returned to the state treasury and credited to the state general fund.

Notwithstanding any other law to the contrary the appropriations made in this act shall be subject to the charter of

the Minnesota historical society of 1849 and as amended in 1856.

The Minnesota historical society shall report annually by November 15 of each year to the governor, the commissioner of administration and the appropriate finance committees of the house and the senate the amount and purpose for which state funds under this subdivision were expended for each fiscal year of the biennium.

The grant-in-aid appropriation herein provided shall be expended in the manner and under the terms and conditions prescribed by the governing body of the Minnesota historical society.

	1976	1977
	\$	\$
(b) Museum program .....	175,000	
The appropriation herein provided shall be expended according to the provisions of Minnesota Statutes 138.035.		
(c) Bicentennial exhibits for the capitol .....	40,000	
(d) Historic sites improvements	150,000	
(e) Construction archaeology ..	50,000	
(f) Historical society contingent account .....	30,000	
(g) Historic sites program ....	475,000	
(h) Harkin-Massopust Store ...	50,000	
(i) Regional historical centers ..	30,000	30,000
Any unexpended balances in subdivision 1 (b), (d), (e), (f), (g) and (h) remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 2. For maintenance of Sibley House to be expended by the Sibley House Association .....	15,000	15,000

	1976	1977
	\$	\$
Notwithstanding any other law to the contrary, the amount of \$1,500 is provided each year out of the above appropriation for fire, wind, hail, and vandalism insurance.		
Subd. 3. For Minnesota Academy of Science .....	16,200	16,200
Subd. 4. Minnesota State Arts Council .....	500,000	500,000

Provided that the state funding for grants and subsidies may not be expended unless matched by federal funds.

Provided that none of the state share of grants and subsidies may be used for matching salary expenditures of any of the various arts councils.

Every publication, program or other graphic material prepared by the Minnesota state arts council, or prepared for use by any other organization in connection with an activity funded in whole or part by the council shall bear the legend: "This activity is made possible, in part, by a grant provided by the Minnesota State Legislature and the Congress of the United States."

Provided that the Minnesota state arts council shall submit a written report to the house appropriations and senate finance committees on July 1, 1975. Such report shall include but not be limited to the specific purposes for which the appropriation was expended for the fiscal year ending June 30, 1975. It shall include an itemization of the programs and projects supported and the source of the funds each received. This report shall also include a listing for each region of the state of grants made to persons or organizations within

	1976	1977
	\$	\$
that region. In addition, it shall contain a detailed proposal for the expenditure of the appropriation provided in this subdivision for the fiscal year ending June 30, 1976. A report similar in format to the above shall be submitted for the fiscal year ending June 30, 1976. The council shall submit a written report to the 1977 legislature. The report shall be similar in format to the above reports but shall cover each of the years of the 1975-1977 biennium.		
Provided that the governing board of the Minnesota state arts council be composed of one member from each of the eight congressional districts and three members appointed at large.		
Provided that not less than 55 percent of program moneys shall be expended in regions outside the seven-county metropolitan area.		
Grants made under the touring program shall be used only for payment of touring costs.		
Subd. 5. Minnesota Safety Council		
(a) For salaries, supplies and expenses .....	47,500	47,500
These amounts are appropriated from the trunk highway fund and shall be disbursed pursuant to Laws 1967, Chapter 550, Section 2.		
Sec. 6. MINNESOTA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS .....	22,500	22,500
Provided that a portion of these funds shall be expended for education of the public relative to the sterilization of domestic pets. Provided further that a report shall be submitted to the 1976		



and 1977 legislature regarding expenditures for public information programs.

Sec. 7. COUNTY ATTORNEYS COUNCIL .....	50,000	50,000
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Provided that the amount that may be expended shall not exceed the amount provided for the County Attorneys Council from all other sources.

Sec. 8. PORT AUTHORITY OF DULUTH—FINAL STATE APPROPRIATION .....	80,000	40,000
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These amounts are appropriated to the Port Authority of Duluth, organized under Minnesota Statutes, Sections 458.09 to 458.19, and shall be used for the promotion of seaway trade.

The Port Authority of Duluth shall file a report of activities financed by this appropriation with the legislature on or before November 1, 1975, and November 1, 1976.

Sec. 9. UNOBLIGATED BALANCES. The unobligated balances on hand as of June 30, 1975, June 30, 1976, and June 30, 1977, in the several appropriations and accounts of each of the departments or divisions for which an appropriation is made herein out of the general fund, are hereby cancelled into the general fund as of June 30, 1975, June 30, 1976, and June 30, 1977, and the unobligated balances on hand as of June 30, 1976, and June 30, 1977, appropriated out of any other funds shall be cancelled into the fund from which they are appropriated as of June 30, 1976, and June 30, 1977. The provisions of this section shall not apply where otherwise indicated in this act or to aid, contributions, or reimbursements received from the federal government by the state, and all such federal aid, contributions, or reimbursements are hereby reappropriated for the purpose of supplementing the appropriations herein provided.

Sec. 10. Any moneys made available to any state department or agency by this act by appropriation, transfer, or otherwise for the payment of salaries is a source of revenue to such department or agency under the provisions of Minnesota Statutes, Sections 355.50 and 352.04, Subdivision 5."

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

Mr. Arnold from the Committee on Finance, to which was referred

H. F. No. 1743: 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, corrections ombudsman, various health related boards, public assistance programs, aid to dependent children, Minnesota supplemental assistance, and public relief.

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

Strike everything after the enacting clause and insert:

"Section 1. DEPARTMENTS OF PUBLIC WELFARE, CORRECTIONS, HEALTH, CORRECTIONS OMBUDSMAN, BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS, AND VARIOUS HEALTH RELATED BOARDS 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, 1975, June 30, 1976, and June 30, 1977.

#### APPROPRIATIONS

Available for the Year

Ending June 30,

1976

1977

\$

\$

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

Subdivision 1. Program and Administrative Support . . . .

6,658,729

6,934,552

Approved Complement—307.3

Notwithstanding any law to the contrary, the commissioner of public welfare may request of the commissioner of administration the use of available funds remaining in any building accounts already appropriated for the department of public welfare institutions to be used for remodeling for Life Safety Code and licensure for obtaining Title XVIII and XIX funds of the federal government. Prior to expenditure of such funds, the department of public welfare shall submit a written plan to

1976

1977

\$

\$

the senate finance committee and house appropriations committee. Specific items which are objected to in writing shall not be commenced.

The estimated federal funds to be deposited in the general fund which are earned by the various accounts of the department of public welfare are detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of administration and the commissioner of finance. If the federal funds anticipated are less than those shown on the official worksheets, the commissioners of administration and finance shall reduce the amount available from the specific appropriation by a like amount. Such reductions shall be noted in the budget document submitted to the 70th Legislature in addition to an estimate of similar federal funds anticipated for the 1977-1979 biennium.

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

	1976	1977
	\$	\$
standards for any categorical aid program in excess of the amount authorized by the legislature, unless federal law or regulation require such action.		
In determining the amount of the public assistance grant, except for General Assistance, the commissioner shall effect a four percent increase on or after July 1, 1975.		
Subd. 2. Centralized Disbursement .....	5,604,000	5,639,000
The commissioner of public welfare shall submit a report to the 1977 legislature regarding the effectiveness of the ten positions granted by the 1975 Legislature for increasing support payments.		
Subd. 3. Community Based Residential Services—Mentally Retarded .....	159,200	1,456,525
Subd. 4. Community Based Residential Services—Chemically Dependent .....	3,531,174	4,189,822
1975—\$1,025,118 deficiency appropriation		
Subd. 5. Community Based Residential Services—Mentally Ill. .	186,750	513,068
Provided that each appropriation provided by Subdivisions 3, 4, and 5 shall primarily apply to one state hospital receiving district.		
The commissioner of public welfare shall submit a report on the expenditure of the appropriations in Subd. 3, 4, and 5 to the 1977 Legislature.		
Subd. 6. Community Mental Health Centers .....	6,687,605	7,346,910
1975—\$123,125 deficiency appropriation		
Notwithstanding any law to the		

	1976	1977
	\$	\$
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 equalization aid, 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.		
Approved Complement—4.4		
Subd. 7. Aid to Families with Dependent Children, Minnesota Supplemental Assistance, and Medical Assistance . . . . .	110,100,000	119,400,000
Approved Complement—11.3		
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		

	1976	1977
	\$	\$
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.		
Provided that the amount appropriated for implementation of Minnesota Statutes, Section 245.0313 shall be available only if matched by federal funds. Provided that if the cost of care in state institutions falls below the projections used for implementation of Minnesota Statutes 245.0313, any excess appropriation shall revert to the general fund.		
Subd. 8. General Assistance. . . .	6,253,579	6,253,669
Approved Complement—.8		
Subd. 9. County Administrative Cost Reimbursement . . . . .	10,000,000	11,000,000
Subd. 10. Programs for the Aging . . . . .	135,000	135,000
Provided that the funds appropriated by this subdivision may not be expended unless matched by federal funds.		
The use of the funds appropriated herein may include the appropriate matching of federal funds provided programs for the aging for the payment to members of advisory committees required in these programs by federal law, for their actual expenses incurred in performance of their duties.		
Subd. 11. Vocational Rehabilitation of the Blind. . . . .	921,412	949,944
Approved Complement—.42		
The sum of \$2,500 each year		

	1976	1977
	\$	\$
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. 12. Special Financial Aids to Counties.....	2,640,800	2,727,355

All payments from funds appropriated for equalization aid 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 for computation of equalization aid 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 for equalization aid to counties shall be made on or before October 1, 1975, for fiscal year 1976 and on or before October 1, 1976, for fiscal year 1977. Final payments shall be made before October 1 of the following fiscal year.

For the purposes of equaliza-

1976

1977

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tion aid, welfare costs shall be deemed to include all forms of public assistance and the administrative costs thereof, to-wit: medical assistance to the needy, aid to dependent children, Minnesota supplemental assistance, payments to the commissioner of public welfare for care and treatment of patients in state institutions, medical relief, hospital charges, maintenance of children not under state guardianship, general assistance, 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 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 boards. 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



	1976	1977
	\$	\$
receive from the equalization aid payment an amount in excess of 75 percent of its costs 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.		
Provided that any funds appropriated by this subdivision for the Red Lake Band of Chippewa Indians in excess of the county costs for this purpose shall cancel to the general fund.		
Provided that reimbursements for general relief for Indians shall be prorated if the appropriation made in this subdivision is insufficient to provide full reimbursement.		
Subd. 13. Daytime Activity Centers for the Mentally Retarded		
a. Grant in aid funding. . . . .	4,514,551	4,923,298
Approved Complement—2		
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.		

	1976	1977
	\$	\$
b. Transportation aids . . . . .	2,100,000	2,100,000
Subd. 14. Cost of Care Grants— Mentally Retarded . . . . .	3,324,616	4,255,565

Notwithstanding any law to the contrary, this appropriation provides for not more than 70 per cent of the cost of care.

Provided that this appropriation shall be reduced by \$625,920 the first year and \$1,287,000 the second year if separate legislation for a parent subsidy program is not enacted.

Subd. 15. Cost of Care Grants— Emotionally Disturbed . . . . .	746,020	820,622
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Subd. 16. Foster Grandparents Program . . . . .	220,000	242,000
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Five percent of this appropriation may be retained by the governor's council on aging as a fee for administrative services and expenses, pursuant to Minnesota Statutes 1974, Section 256.976.

Subd. 17. Day Care Services Development and Funding . . . . .	821,294	978,205
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Provided that the commissioner of public welfare shall not transfer any funds to or from personnel services or claims, grants and shared revenue as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of administration.

Subd. 18. State Hospitals . . . . .	66,347,000	67,063,000
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Approved Complement—5167

The amounts that may be expended for each category from these appropriations are as follows:

a. Current expense	1976— \$9,784,000
	1977— \$10,537,000

	1976	1977
	\$	\$
b. Salaries	1976—\$55,889,000 1977—\$55,914,000	
c. Repairs and replacements	1976— \$674,000 1977— \$612,000	

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.

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 when equipment expenditures are necessary at the prison laundry, laundry service may be provided for the prison after the transfer of four positions from the department of corrections to the department of welfare has been accomplished.

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.

So much of the above funds as necessary may be established in a special account in the department of public welfare to pay

1976

1977

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\$

for special costs relating to the mental health commitment act.

Provided that as the population decreases, the supportive staff complement shall be reduced in direct proportion.

The commissioner of public welfare shall submit the budgets for the schools, nursing homes, and hospitals to the 1977 Legislature on an individual hospital basis together with a summary budget, in the same format as the legislature appropriated the funds.

Provided that the Hastings state hospital shall discontinue operations no later than July 1, 1976.

The department of public welfare shall begin immediately to phase down the operations of the Hastings state hospital.

Notwithstanding any other law to the contrary, no building on the Hastings state hospital campus shall be utilized for any other use until reviewed by the senate finance committee and the house appropriations committee.

Notwithstanding any other law to the contrary, funds appropriated to the department of public welfare for any purpose may be used for the demolition of buildings on the Hastings state hospital campus, subject to the written recommendation of the senate finance committee and the house appropriations committee.

The department of public welfare shall consolidate the laundries of the state hospitals as follows: Rochester to Faribault, Fergus Falls to Brainerd, Glen Lake to St. Peter, and Hastings to Faribault, if Hastings continues as a state hospital.

1976

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Patients in the Minnesota security hospital who are under the jurisdiction of the commissioner of public welfare shall be transferred to the Rochester state hospital. Funds available in any appropriations for the department of public welfare shall be available for demolition of the Minnesota security hospital building.

Subd. 19. Commissioner of Public Welfare . . . . .

100,000

The commissioner of public welfare shall pay \$25 per diem plus travel expenses in the same manner and amount as state employees to the members of the Northwest Citizens Advisory Task Force on the Use of Fergus Falls State Hospital and to the West Central Citizens Advisory Task Force on the Use of Fergus Falls State Hospital. Public employees shall not receive any per diem payments. Staffing and expenses may be provided as necessary from this appropriation. Each task force shall be comprised of county commissioners, licensed professionals, welfare directors, public members, and a non-voting member appointed by the commissioner of public welfare. The efforts of the two task forces shall be coordinated by a joint coordinating committee.

A preliminary report shall be submitted to the legislature on or before February 1, 1976, and a final report on or before January 2, 1977.

Any unexpended balance remaining in the first year shall not cancel but shall be avail-

	1976	1977
	\$	\$
able for the second year of the biennium.		
Subd. 20. Special Schools . . . .	2,827,800	2,830,500

## Approved Complement—223.5

The amounts that may be expended for each category from these appropriations are as follows:

a. Current expense	1976—	\$314,400
	1977—	\$333,400
b. Salaries	1976—	\$2,363,600
	1977—	\$2,363,600
c. Repairs and replacements	1976—	\$49,700
	1977—	\$35,100
d. Regional Library for the Blind	1976—	\$100,100
	1977—	\$ 98,400

## Approved Complement—8.5

Provided that this appropriation shall be reduced by \$20,000 per year and the complement by two if federal funds become available.

Subd. 21. Rehabilitate Dow Hall . . . . .	137,000
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Provided that these funds shall not be expended until a plan has been reviewed by the senate and house appropriation committees.

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 begin consolidation of support services for the Faribault state hospital, School for the Deaf, and the Braille and Sight Saving School, as soon as is feasible. Such consolidation shall include, but not be limited to: laundry service, food service, maintenance, and business office functions.

	1976	1977
	\$	\$
Subd. 22. State Operated Nursing Homes .....	7,296,500	7,333,300

**Approved Complement—610**

The amounts that may be expended for each category from these appropriations are as follows:

a. Current expense	1976— \$1,171,000
	1977— \$1,224,600
b. Salaries	1976— \$6,052,000
	1977— \$6,052,000
c. Repairs and replacement	1976— \$73,500
	1977— \$56,700

Subd. 23. Special Equipment for the state hospitals, special schools, and state operated nursing homes ..... 730,000

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

**Sec. 3. TO THE COMMISSIONER OF CORRECTIONS**

**Subdivision 1. Administration**

(a) Salaries, supplies and expense .....	4,538,000	5,208,000
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**Approved Complement—**  
1976—240.75  
1977—246.75

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 expens-

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es 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 . . .

770,000

770,000

Provided further that reimbursement to counties as provided by Minnesota Statutes, Section 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 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.



	1976	1977
	\$	\$
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, Section 260.311, Subdivision 5.		
Provided that time spent by the county probation officer as a court referee shall not qualify for reimbursement from this appropriation.		
(c) Sheriffs expense conveying prisoners . . . . .	30,000	30,000
(d) Planning and implementing institutional population changes .	335,000	

The commissioner of corrections shall immediately implement a plan to reduce the state prison population to not more than 250 and shall report the progress on such to the 1976 and 1977 Legislature.

A committee of ten and necessary staff may be appointed by the commissioner of corrections to recommend to the 1976 Legislature the following:

- a. The specific placement in the metropolitan area of inmates in the Minnesota security hospital which are corrections clients.
- b. An action plan to assure reducing the prison population to a maximum of 250 and where the excess population will be located.
- c. The necessary construction and demolition to accommodate a maximum population of 250 in the state prison.
- d. The future of the industry programs.

The commissioner of corrections

1976

1977

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is authorized to pay members of the committee \$25 per diem plus travel expenses pursuant to rules and regulations promulgated by the commissioner of personnel, however, no public employee may receive a per diem payment. \$35,000 is available from this appropriation to finance the committee and its staff to submit its report to the 1976 Legislature. \$300,000 of this appropriation is available upon the recommendation of the senate finance and house appropriations committees to develop for the 1977 Legislature the following:

a. Preliminary architectural plans.

b. A progress report on the population changes.

c. A master plan for the 1977 to 1979 biennium.

(e) Remodeling and securing institutions . . . . .

1,845,400

This appropriation is available to the commissioner of corrections to assist in reducing the state prison population to a maximum of 250.

a. Metropolitan Training Center

1. Capitol improvements-\$716,500

2. Security features - \$686,400

3. Industrial building - \$192,500

b. State Reformatory - \$200,000

c. State Prison, cell hall "C" - \$ 50,000

Notwithstanding any law to

	1976	1977
	\$	\$
the contrary, the commissioner of corrections may request of the commissioner of administration the use of available funds remaining in any building accounts already appropriated for the department of corrections to be used for demolition of buildings.		
Any unexpended balances in Subdivision 1 (d) and (e) remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 2. Corrections Subsidy Act .....	2,650,000	4,056,000
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.		
Provided that as counties begin participating in the corrections subsidy act, the complement of the central office of corrections shall be reduced by the number of positions transferred to the counties entering the act.		
Subd. 3. Health Care Services .	1,137,000	1,175,000
The amount appropriated by this item shall be used to provide professional health care to persons confined in institutions under the control of the commissioner of corrections, and to cover the costs of their care in hospitals and other medical facilities not under the control of the commissioner of corrections, including the Secure Treatment Unit operated by the St. Paul-Ramsey Hospital. All reimburse-		

	1976	1977
	\$	\$
ments for such health care services shall be credited to this account and become a part thereof.		
Subd. 4. Personnel Training. .	310,029	332,647
This appropriation includes funds for training of group home parents in county homes.		
Subd. 5. Vocational Training.	140,000	
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. . .	400,000	400,000
The amount appropriated by this item shall be used for foster group care facilities under the commissioner of corrections and to reimburse counties pursuant to Minnesota Statutes 1974, 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 and Newgate Programs . . . . .	247,295	251,205
This appropriation includes		

	1976	1977
	\$	\$
\$217,000 for the Newgate program.		
Subd. 8. Community Corrections Centers .....	212,500	212,500
Subd. 9. Regional Jails, Area Lock-Ups, and Detention Centers .....	281,300	281,300
Subd. 10. Special Projects ...	298,157	66,225
This appropriation is intended as the state match for applications for federal grants.		
The commissioner of finance is hereby directed to establish whatever accounts the department of corrections deems necessary to expend the funds provided by this subdivision.		
Subd. 11. Correctional Institutions		
This appropriation is for the Minnesota state prison, state reformatory for men, Minnesota correctional institution for women, state training school, Willow River camp, Minnesota home school, and the metropolitan training center.		
(a) Current expense .....	3,292,200	3,453,100
(b) Salaries .....	15,349,000	15,378,000
Approved Complement—1,086.75		
(c) Special equipment .....	336,600	
(d) Repairs and replacements..	150,000	148,000
The academic school program at the state training school 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.		

	1976	1977
	\$	\$
Vocational rehabilitation funds received by the department of corrections for the Willow River camp shall cancel to the general fund.		
The commissioner of corrections may utilize the institutions under his control in the manner he determines to be most efficient and designate the programs to be conducted therein.		
(e) Thistledeew camp .....	150,000	
Provided that unnecessary funds shall cancel to the general fund if separate legislation passes allowing Thistledeew camp to retain its receipts at the close of each fiscal year.		
(f) License plate plant .....	272,000	
The amount provided by clause (f) is appropriated from the highway user tax distribution fund, and shall be available for immediate encumbrance.		
Any unexpended balances in subdivision 1(b), 5, 11 (c) and 11 (d) remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
<b>Sec. 4. HEALTH RELATED BOARDS</b>		
Subdivision 1. Board of Examiners for Nursing Home Administrators .....	62,248	63,048
Subd. 2. Board of Examiners for Psychologists .....	20,703	22,489
Subd. 3. Board of Medical Examiners .....		264,590
Subd. 4. Board of Nursing .....		330,538
Subd. 5. Board of Pharmacy .....		158,291
Subd. 6. Board of Veterinary Examiners .....		21,439

	1976	1977
	\$	\$
Subd. 7. Board of Podiatry . . . .		5,317
Subd. 8. Board of Dentistry . . . .		117,315
Subd. 9. Board of Chiropractic Examiners . . . . .		28,265
Subd. 10. Board of Optometry . .		24,725
Provided that the commissioners of administration and finance shall not permit the allotment, encumbrance, or expenditure of any funds appropriated in this section in excess of the antici- pated biennial revenues.		
Sec. 5. BOARD OF HEALTH		
Subdivision 1. Preventive and Personal Health Services . . . . .	5,341,099	5,816,249
Approved Complement—175		
Subd. 2. Health Systems Quality Assurance . . . . .	1,002,123	1,014,480
Approved Complement—54.25		
Of the amounts provided by this item, \$198,570 for the first year and \$211,069 for the second year are appropriated from the trunk highway fund for emergency medical services activities.		
Subd. 3. Management, Planning, and Information Services . . . . .	1,160,407	1,213,614
Approved Complement—49.25		
All receipts received from the na- tional office of vital statistics for microfilmed transcripts of vital statistics records shall be de- posited in and for the benefit of the general fund.		
Provided that the commission- er of health shall not transfer any funds to or from person- nel services, or claims, grants and shared-revenues, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commis- sioner of administration, ex-		

	1976	1977
	\$	\$
cept for those transfers which have the written approval of the Governor, who shall consult with the legislative advisory committee for its recommendations.		
Provided that administrative support for the health related boards shall be provided by the health department. The health department shall be reimbursed for the cost of providing this service.		
<b>Sec. 6. CORRECTIONS OM-BUDSMAN</b>		
Subdivision 1. Salaries, Supplies, and Expense .....	140,795	140,795
<b>Sec. 7. COMMISSIONER OF PUBLIC WELFARE .....</b>	1,200,000	
Subdivision 1. Community Action Programs		
This appropriation shall be used to make grants for local match increases to fund costs for on-going programs for Minnesota community action agencies, and to fund match moneys for emergency and community partnership programs.		
<b>Sec. 8. CONTINGENT FOR STATE INSTITUTIONS .....</b>	1,225,000	
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		



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consultation with the legislative advisory committee.

Any unexpended balance in Sections 7 and 8 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 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 June, 1975, 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

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 \$653,622.74

Corrections \$113,607.11

#### Sec. 10. UNEMPLOYMENT COMPENSATION

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

Department of Corrections \$118,671.69

Department of Public Welfare \$490,442.88

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 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. Part-time and summer student help may be employed with the advance approval of the commissioner of administration, and shall not be included in the approved complement. Part-time and summer student help may be employed with the advance approval of the commissioner of administration, and shall not be included in the 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 provision 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. 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 belonging 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, 10, 11, and 12.

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.

The commissioner of administration is hereby directed to charge a fair rental rate including utility costs to any persons who reside on state institution grounds. The legislature directs the department of corrections to reduce staff housing as soon as possible.

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

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 conferees 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 hereinbefore 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 Minnesota Statutes, Chapter 16, shall extend to and apply to all appropriations herein made available for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

All state departments, bureaus, agencies or divisions, operating under Minnesota Statutes, Chapter 16, 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. 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 3, 4, 5, 6, 13, 14, 15, and 18. Provided further that if the appropriation under section 2, subdivision 7, 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) Authority is hereby granted to the commissioner of corrections to transfer appropriations between all subdivisions of section 3, except for subdivision 1, clause (a), 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 1, clause (a), 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 1, clause (a). Such transfers shall be made with the written approval of the governor after consulting with the legislative advisory committee.

**Sec. 20. 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 19, clause (b).

**Sec. 21.** Notwithstanding any law to the contrary, when institutions of the department of public welfare or the department of corrections are consolidated, the commissioner of personnel 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.

The commissioner of personnel 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."

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

Mr. Arnold from the Committee on Finance, to which was referred

**H. F. No. 1759:** A bill for an act relating to the organization and operation of state government; appropriating and reappropriating money therefor and limiting the use thereof; providing for the

transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; providing penalties for misusing appropriated moneys; amending Minnesota Statutes 1974, Sections 12.21, Subdivision 3; 16.012; 16A.125, Subdivisions 5 and 6; 17A.11; 17B.15; 30.20; 116C.05; 116D.04, Subdivision 3; 144.61; 149.04; 176.611, Subdivision 6A; 181A.07; 308.905; 326.44; 326.64; 308.905; 347.33, Subdivision 3; 484.54; and Laws 1965, Chapter 415, Section 1, Subdivisions 2 and 3; repealing Minnesota Statutes 1974, Sections 33.17; 88.063, Subdivision 2; and 246.32.

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

Strike everything after the enacting clause and insert:

"Section 1. EXPENSES OF STATE GOVERNMENT APPROPRIATIONS. Except as herein otherwise specifically provided, the sums hereinafter set forth in the columns designated "APPROPRIATIONS", or so much thereof as may be necessary, are hereby appropriated out of the general fund in the state treasury, or any other fund herein designated, for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1975", "1976", and "1977", wherever used in this act, shall mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1975, June 30, 1976, and June 30, 1977, respectively.

## APPROPRIATIONS

Available for the Year

Ending June 30,

1976

1977

\$

\$

### Sec. 2. THE LEGISLATURE

Subdivision 1. For the House  
of Representatives .....

6,500,000

6,500,000

Subd. 2. For the Senate .....

3,625,000

3,625,000

Subd. 3. Legislative Joint Co-  
ordinating Committee .....

(a) Legislative Reference Li-  
brary .....

385,000

(b) Revisor of Statutes .....

1,861,750

(c) Office of Legislative Re-  
search .....

81,500

Including state matching funds  
for science and technology  
grant which shall not be ex-

	1976	1977
	\$	\$
pendent until non-state matching moneys are received.		
<b>Subd. 4. Legislative Audit Commission</b>		
(a) Legislative Audit Commission .....	50,000	
(b) Legislative Auditor .....	932,431	1,023,682
<b>Subd. 5. Legislative Retirement Study Commission .....</b>	155,000	
<b>Subd. 6. Mississippi River Parkway Commission .....</b>	7,500	7,500
<b>For 1975—\$2,000</b>		
The amounts appropriated by this subdivision are from the trunk highway fund.		
<b>Subd. 7. Legislative Energy Commission .....</b>	30,000	30,000
<b>Sec. 3. SUPREME COURT</b>		
<b>Subdivision 1. Salaries .....</b>	1,075,981	1,075,981
<b>Subd. 2. Supplies and Expense .....</b>	266,613	275,699
<b>Subd. 3. Supreme Court Contingent .....</b>	7,500	
<b>Subd. 4. Continuing Legal Education .....</b>	49,796	100,122
<b>Sec. 4. DISTRICT COURT</b>	2,537,963	2,554,963
<b>For 1975—\$265,342</b>		
To be disbursed by the commissioner of finance.		
Should the appropriation for either year be insufficient, then the appropriation for the other year shall be available therefor.		
<b>Sec. 5. JUDICIAL COUNCIL ..</b>	2,500	3,500
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		

	1976	1977
	\$	\$
Sec. 6. COMMISSION ON JUDICIAL STANDARDS .....	37,602	36,102
Any unexpended balances remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Sec. 7. STATE LAW LIBRARY		
Subdivision 1. Salaries .....	106,762	106,762
Subd. 2. Supplies and Expense..	29,029	30,475
Subd. 3. Books and Binding ....	150,000	
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Sec. 8. PUBLIC DEFENDER		
Subdivision 1. Salaries, Supplies, and Expense .....	288,603	290,897
Approved Complement—15		
Provided however that no portion of the funds appropriated shall be used for the defense of misdemeanors unless the city or county public defender, if any, shall refuse or be unable to defend and then only by order of the court.		
Subd. 2. Civil Legal Services—For Adult Prison Inmates .....	95,000	105,000
Sec. 9. TAX COURT		
Subdivision 1. Salaries .....	50,670	50,272
Approved Complement—2		
Subd. 2. Supplies and Expense..	13,150	13,475
Sec. 10. CONTINGENT ACCOUNTS		
Subdivision 1. General .....	2,000,000	2,000,000
Subd. 2. Game and Fish .....	100,000	
This appropriation is from the game and fish fund.		
Subd. 3. Motor Vehicle .....	150,000	
This appropriation is from the		



	1976	1977
	\$	\$
highway user tax distribution fund for the purpose of supplementing any requirements of the department of public safety, motor vehicle services section, for salaries, supplies, and expense		
Subd. 4. Postage . . . . .	300,000	
For postage rate increases during the biennium ending June 30, 1977, where sufficient appropriations are not available.		
Of the above amount \$150,000 is appropriated from the highway user tax distribution fund to meet the needs of the motor vehicle section of the department of public safety.		
Subd. 5. Traffic Safety . . . . .	50,000	
This appropriation is from the trunk highway fund for the purpose of supplementing any requirements of the department of public safety for traffic safety programs.		
Subd. 6. Criminal Justice . . . . .	1,620,000	
This appropriation is available to provide additional matching funds for the various state agencies and local governments for programs qualifying under the safe streets and omnibus crime control act of 1968, as amended.		
At least 30 days before action by the legislative advisory committee, the commission shall submit the individual project requests to the appropriate standing committees of the legislature for review.		
The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory committee.		

	1976	1977
	\$	\$
Any unexpended balance remaining in the first year from the appropriations made in this section shall not cancel but shall be available for the second year of the biennium.		
Sec. 11. GOVERNOR		
Subdivision 1. Salaries, Supplies, and Expense .....	697,047	755,618
For 1975—\$48,000		
If the commissioner of public safety assigns a highway patrol officer as a personal aide to the governor below the rank of sergeant, such officer shall receive the rank and pay of a sergeant while on such assignment.		
Subd. 2. Personal Expenses Connected with Office.....	15,000	15,000
Subd. 3. Official Governor's Portrait .....		2,500
Subd. 4. National Governors Conference .....	16,150	16,150
Subd. 5. Education Council ...	20,000	20,000
For 1975—\$3,000		
Subd. 6. Upper Great Lakes Regional Commission—State Share	71,000	71,000
This appropriation shall cancel if the federal support for the regional commission is withdrawn.		
Subd. 7. Great Lakes Basin Commission—State Share .....	22,300	22,300
For 1975—\$4,300		
Subd. 8. Upper Mississippi Basin Commission—State Share...	35,200	35,200
Subd. 9. Missouri River Basin Commission—State Share .....	12,000	12,000
For 1975—\$2,025		
Subd. 10. Governor's Bicentennial Commission .....	157,900	78,950
Sec. 12. LIEUTENANT GOVERNOR		

	1976	1977
	\$	\$
Subdivision 1. Salaries, Supplies, and Expense . . . . .	161,469	162,069
Approved Complement—9		
Subd. 2. Personal Expenses Con- nected with Office . . . . .	2,000	2,000
Sec. 13. ATTORNEY GEN- ERAL		
Subdivision 1. Salaries . . . . .	1,146,196	1,146,196
Approved Complement—64		
Subd. 2. Supplies and Expense .	262,100	253,338
Subd. 3. Special Contingent . . .	50,000	

This appropriation shall not be available for paying the costs of special, legal, accounting, and investigative personnel retained in cases arising under Minnesota Statutes, Section 501.12, hereafter filed unless the attorney general shall decide in such a case that all the beneficiaries are not adequately represented, or that there is a likelihood that the purpose of the trust may be frustrated without his intervention and that the state has a substantial interest in carrying out the purpose of the trust.

Subd. 4. Antitrust . . . . .	200,000
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This appropriation is for costs and expenses incurred by the attorney general in enforcing and making claims under state and federal antitrust laws.

The attorney general shall report the purpose for which the moneys appropriated by this subdivision are utilized. Such reports shall be made to the committee on finance of the senate and the committee on appropriations of the house of representatives at the end of each fiscal year.

Any unexpended balance remaining in the first year from

	1976	1977
	\$	\$
the appropriations made in subdivisions 3 or 4 shall not cancel but shall be available for the second year of the biennium.		
Subd. 5. Minnesota Peace Officers Training Board		
(a) Salaries . . . . .	38,469	38,469
Approved Complement—3		
(b) Supplies and Expense . . . .	19,591	20,539
(c) Reimbursements to Local Governments . . . . .	300,000	300,000
Reimbursement for costs of substitute local protection while officers attend regular training courses.		
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Sec. 14. STATE AUDITOR		
Subdivision 1. Salaries . . . . .	127,210	127,210
Approved Complement—8		
Subd. 2. Supplies and Expense	34,647	41,212
Sec. 15. SECRETARY OF STATE		
There is appropriated to the secretary of state the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations for the house of representatives.		
General Operations and Management . . . . .	456,524	737,953
Approved Complement—27		
The amounts that may be expended from these funds for each program are as follows:		
Administration	\$125,625	\$122,848

		1976	1977
		\$	\$
Elections and Publications	\$126,051	\$407,831	
Corporations	\$165,910	\$166,542	
Uniform Commercial Code	\$ 38,938	\$ 40,732	

The secretary of state, with the approval of the commissioner of administration, may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 16. STATE TREASURER

Subdivision 1. Salaries . . . . .	267,737	267,737
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Approved Complement—24

Subd. 2. Supplies and Expense	102,427	104,159
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Sec. 17. ETHICS COMMISSION . . . . .	120,705	119,055
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Approved Complement—7

This appropriation contains sufficient moneys to microfilm the records which the commission is required to retain.

#### Sec. 18. ADMINISTRATION

There is appropriated to the commissioner of administration the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.

Subdivision 1. General Operations and Management . . . . .	10,846,770	10,937,445
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The amounts that may be expended from these funds for each program are as follows:

	1976	1977
	\$	\$
Program Manage- ment and Budget Coordination	\$ 478,294	\$ 491,294
Management Information Services	\$ 585,151	\$ 571,090
General Services	\$8,831,952	\$8,945,217
General Support	\$ 951,373	\$ 929,844

The commissioner of administration may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance for the senate and the committee on appropriations for the house of representatives.

Notwithstanding the provisions of any law to the contrary, the commissioner of administration shall sell the state-owned property comprising the St. Croix Camp in the manner which will realize the greatest return to the state. Such a sale, however, shall be made only after advertising the sale of the property and inviting sealed bids which shall be opened at the time specified and read aloud. The sale shall be made to the best bidder. The advertisement of such sale shall be made in local and national publications including but not limited to such publications as the Wall Street Journal and the New York Times. The state reserves the right to reject any and all bids.

Subd. 2. Improvement of the  
state EIS System .....

510,000

1976

1977

\$

\$

This appropriation may be used to pay the costs of additional hearings officers, legal assistance, and other costs as the commissioner deems appropriate. These moneys may be transferred to other state agencies when the commissioner has determined that sufficient resources are not available within the appropriations of those agencies to carry out the duties assigned to them relative to the improvement of the environmental impact statement system. Any unexpended balance remaining in the first year shall not cancel, but shall be available for the second year of the biennium.

#### Sec. 19. FINANCE

There is appropriated to the commissioner of finance the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.

General Operations Management .....	3,416,673	3,506,114
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The amounts that may be expended from these funds for each program are as follows:

#### Financial Operations

Management	\$2,446,444	\$2,513,320
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#### Financial Control,

Analysis,		
Research, and		
Development	\$ 622,391	\$ 635,906

General Support	\$ 347,838	\$ 356,888
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The commissioner of finance with the approval of the com-

1976

1977

\$

\$

missioner of administration, may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

In the case of payrolls which are financed in whole or in part with federal funds, that portion of the cost of payroll preparation which is chargeable to federal funds shall be reimbursed to the department of finance from such federal funds, and such amounts as are necessary are hereby appropriated from such funds for that purpose. The cost of preparing payrolls for state departments, agencies, and institutions whose salaries are provided by open, standing, continuing, or revolving appropriations or so-called dedicated receipt accounts shall be reimbursed to the department of administration from such appropriations or dedicated receipt accounts and such amounts as are necessary are hereby appropriated from such appropriations and accounts for that purpose.

In the case of state departments, agencies, and institutions which are financed in whole or in part with federal funds, that portion of the cost of collecting social security contributions which is chargeable to federal funds shall be reimbursed from federal funds, and such amounts as are necessary are appropriated from such funds for that purpose.

The cost of collecting employees' social security contribu-



	1976	1977
	\$	\$
tions and the state's matching share for reimbursement to the U.S. Secretary of the Treasury for state departments, agencies, and institutions whose salaries are provided by open, standing, continuing, or revolving appropriations or so-called dedicated receipt accounts shall be reimbursed to the state agency revolving fund from such appropriations or dedicated receipt accounts, and such amounts as are necessary are appropriated from such appropriations and accounts for that purpose.		

#### Sec. 20. PERSONNEL

There is appropriated to the commissioner of personnel the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.

General Operations and Management .....	1,697,336	1,664,873
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#### Approved Complement—92

The amounts that may be expended from these funds for each program are as follows:

Human Resource Acquisition	\$355,417	\$349,458
Human Resource Development	\$269,097	\$258,062
Human Resource Management	\$567,548	\$565,823
General Support	\$475,238	\$461,494
Local Government Services	\$ 30,036	\$ 30,036

The commissioner of personnel with the approval of the com-

	1976	1977
\$		\$
missioner of administration, may transfer unexpended bal- ances among the above pro- grams. Such transfers shall be reported forthwith to the com- mittee on finance of the senate and the committee on appro- priations of the house of repre- sentatives.		
Sec. 21. PERSONNEL BOARD	44,450	59,200
Sec. 22. STATE PLANNING AGENCY		

There is appropriated to the di-  
rector of the state planning agen-  
cy the following amounts for the  
purposes so stipulated in the  
workpapers of the committee on  
finance for the senate and the  
committee on appropriations for  
the house of representatives.

Subdivision 1. General Opera- tions .....	2,407,009	2,399,909
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The amounts that may be ex-  
pended from these funds for each  
program are as follows:

State Planning  
and  
Development . \$ 217,028 \$ 217,028

Functional Area  
Planning ..... \$ 694,884 \$ 687,784

Regional and  
Local  
Assistance ... \$1,189,010 \$1,189,010

General Support. \$ 306,087 \$ 306,087

The director of the state planning  
agency with the approval of the  
commissioner of administration,  
may transfer unexpended bal-  
ances among the above pro-  
grams. Such transfers shall be  
reported forthwith to the com-  
mittee on finance of the senate  
and the committee on appropri-  
ations of the house of represen-  
tatives.

	1976	1977
\$		\$
Subd. 2. Commission on Minnesota's Future .....	80,000	80,000
Subd. 3. Environmental Quality Council .....		
(a) Administration .....	71,900	71,900
(b) Citizens Advisory Council.		
Of the amounts appropriated by subdivision 3 (a) of this section, not more than ten percent shall be expended for costs incurred by the citizens advisory committee. The amount available for the citizens advisory committee shall be expended only for per-diem and expenses of members incurred by attendance at official meetings of the advisory committee and the environmental quality council.		
(c) Environmental Impact Statements—General .....	127,400	127,400
(d) Copper-Nickel Regional Environmental Impact Statement. .	920,000	
Any unexpended balance remaining the first year shall not cancel, but shall be available for the second year of the biennium.		
(e) Critical Areas Planning....	44,500	44,500
(f) Power Plant Studies.....	217,550	217,550
(g) State and Regional Environmental Education Councils....	217,000	217,000
Sec. 23. CAPITAL AREA ARCHITECTURAL AND PLANNING COMMISSION .....	62,556	62,207
Sec. 24. MUNICIPAL COMMISSION .....	108,208	108,527
Approved Complement—4		
Sec. 25. COMMISSION ON THE HANDICAPPED .....	142,906	142,906
Sec. 26. HUMAN RIGHTS		
Subdivision 1. Salaries.....	390,799	407,199

	1976	1977
	\$	\$
Approved Complement—		
1976—30		
1977—31		
Subd. 2. Supplies and Expense . .	102,743	101,922
Sec. 27. INDIAN AFFAIRS COMMISSION . . . . .	100,000	

## Approved Complement—4

This appropriation includes funds for payment of the expenses of the delegate to the Indian council meeting.

Prior to January 1, 1976, the commission shall cease operation of its current offices and establish a single state office in the city of Bemidji from which it will carry out its responsibilities under Minnesota Statutes, Section 3.922, Subdivision 6.

On or before February 29, 1976, the commission shall prepare and present to the legislature a plan for the future operation of the commission and its staff. The plan shall include the specific goals, and the activities and methods which will be employed by the commission to achieve the stated goals.

## Sec. 28. VETERANS AFFAIRS

Subdivision 1. Salaries . . . . .	438,971	438,971
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## Approved Complement—41

Subd. 2. Supplies and Expense	99,731	104,153
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Subd. 3. Veterans Relief Account . . . . .	1,010,000	1,010,000
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The Minnesota public relief advisory committee is hereby continued for the purposes of this subdivision.

None of the funds appropriated in this subdivision shall be transferred for the use of veterans' rest camps.

	1976	1977
\$		\$
Subd. 4. War Veterans and War Orphans Education Aid.	52,000	52,000
To be expended pursuant to Minnesota Statutes, Section 197.75.		
Subd. 5. Headstones, Markers, and Sockets for Soldiers and Sailors Graves .....	6,000	6,000
Any unexpended balances remaining in subdivision 3 through 5 the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 6. Veterans Preference.	5,000	5,000
Sec. 29. MILITARY AFFAIRS		
Subdivision 1. Salaries .....	1,549,312	1,543,015
Approved Complement—178		
Plus such additional personnel as may be financed entirely from federal funds for the period federal funds are available.		
Subd. 2. Supplies and Expense	996,324	1,042,230
Notwithstanding any other provision of this act or any other law, the portion of appropriations made in this section which relate to armory maintenance and repairs shall be available for allotment, encumbrance and expenditure upon passage of this act, for the purpose of financing federal reimbursement contracts.		
Sec. 30. COMMISSION ON CRIME PREVENTION AND CONTROL .....	60,000	63,254
Approved Complement—35		
Sec. 31. PUBLIC SAFETY		
Subdivision 1. Salaries .....	19,565,619	19,561,266
Approved Complement—		

1976

1977

\$

\$

1976—1475

1977—1484

Of the amounts provided in subdivision 1, \$14,668,810 for the first year and \$14,617,006 for the second year is appropriated from the trunk highway fund for traffic safety programs. \$1,758,217 for the first year and \$1,752,302 for the second year is appropriated from the highway user tax distribution fund for the administration of motor vehicle laws.

Of the amount provided in subdivision 1, \$3,138,592 for the first year and \$3,191,958 for the second year is appropriated from the general fund.

The above approved complement includes a total of 504 for all unclassified patrol officers and supervisors of the highway patrol. This complement shall not be exceeded during the biennium. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of administration, between the various units and divisions within this subdivision, providing that the above complement restriction is not exceeded. If the personnel in the above restricted complement are transferred to other units or divisions of the department, the above complement shall be reduced accordingly.

No new highway patrol supervisory positions shall be established, with the exception of special duty assigned ranks for the length of assignment only.

	1976	1977
	\$	\$
Subd. 2. Supplies and Expense	10,248,133	10,148,659

Of the amounts provided in subdivision 2, \$7,330,312 for the first year and \$6,905,124 for the second year are appropriated from the trunk highway fund for traffic safety programs.

Of the amounts provided in subdivision 2, \$1,853,507 for the first year and \$2,034,652 for the second year are appropriated from the highway user tax distribution fund for administration of motor vehicle laws.

Of the amount provided in subdivision 2, \$1,064,314 for the first year and \$1,208,883 for the second year is appropriated from the general fund.

The commissioner is directed to sell or otherwise dispose of all fixed wing aircraft operated by the department of public safety prior to January 1, 1976. The commissioner is further directed to sell such numbers of helicopter type airplanes as required to reduce the total retained in flight condition to three by January 1, 1976. The three units which the department is authorized to retain shall be located in and for primary use in the seven county metropolitan area. As the number of aircraft units is reduced as herein directed, the number of highway patrol officer pilots shall be reduced accordingly and those officers reassigned to road patrol duty. Once returned to road patrol duty, highway patrol officers shall not continue to receive flight status compensation in addition to their regular salaries. All moneys received

	1976	1977
	\$	\$
from the sale of aircraft shall be deposited as non-dedicated receipts to the trunk highway fund.		
Subd. 3. Weight Scale and Motor Vehicle Inspection ....	491,375	491,375
For 1975—\$10,000		
The personnel involved in the support of the weight scale and spot motor vehicle inspection programs shall be provided by the department of highways. This appropriation is from the trunk highway fund.		
This appropriation provides sufficient moneys to operate the mobile truck weighing program on a twelve-month basis.		
The commissioner of finance is directed to transfer on a quarterly basis the appropriation made from the trunk highway fund in subdivision 1, 2, and 3.		
Subd. 4. Minnesota Crime information System Planning and Development .....	60,000	
Approved Complement—5		
Any unexpended balance remaining in the first year shall not cancel, but shall be available for the second year of the biennium.		
Subd. 5. Sheriff's Communication Network .....	1,232,314	1,286,979
Approved Complement—14		
Subd. 6. Police Schools		
Supplies and Expense .....	143,213	145,724
Subd. 7. License Plates		
(a) Salaries .....	280,850	280,237
Approved Complement—13		



	1976	1977
	\$	\$
(b) Supplies and Expense . . .	2,444,665	2,496,225
The amounts provided in subdivision 7, clauses (a) and (b) are appropriated from the highway user tax distribution fund.		
Subd. 8. Crime Victims Reparation Board . . . . .	200,000	200,000
Approved Complement—2		
Any unexpended balance remaining in the first year shall not cancel, but shall be available for the second year of the biennium.		
Subd. 9. Civil Air Patrol . . . .	30,000	30,000
Subd. 10. State Aids for Air Warning . . . . .	30,000	30,000
The department of public safety is authorized to make grants-in-aid to local political subdivisions, to provide for up to 25 percent of the cost of air warning systems.		
Subd. 11. Private Detective Licensing Board . . . . .	3,000	3,000
Sec. 32. COMMERCE		
There is appropriated to the commerce commission the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.		
General Operations and Management . . . . .	3,461,882	3,411,919
Approved Complement—212		
The amounts that may be expended from these funds for each program are as follows:		
Supervision of State Char-		

	1976	1977
	\$	\$
tered Financial Institutions		
\$1,216,457	\$1,212,432	
Investment Protection		
\$ 554,547	\$ 551,866	
Consumer Services		
\$ 309,790	\$ 308,497	

#### Regulation of Insurance Companies

\$ 837,733    \$ 831,099

#### General Support

\$ 543,355    \$ 508,025

The commission with the approval of the commissioner of administration, may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 33. BOARD OF ABSTRACTORS .....		2,185
Sec. 34. BOARD OF ACCOUNTANCY .....		73,000
Sec. 35. BOARD OF ARCHITECTS, ENGINEERS, AND SURVEYORS .....		170,159
Sec. 36. BOARD OF BARBERS .....		64,185
Sec. 37. BOARD OF COSMETOLOGY .....		265,863
Approved Complement—15		
Sec. 38. BOARD OF ELECTRICITY .....		1,243,535
Approved Complement—18		
Sec. 39. BOARD OF WATCHMAKING .....		11,381
Sec. 40. STATE BOXING COMMISSION .....	28,897	29,151
Sec. 41. LABOR AND INDUSTRY		

	1976	1977
	\$	\$
Subdivision 1. Salaries . . . . .	2,815,784	2,804,322
Approved Complement—248		
Subd. 2. Supplies and Expense . .	546,662	527,175
Sec. 42. MEDIATION SERVICES		
Subdivision 1. Salaries . . . . .	430,000	430,000
Approved Complement—26		
Subd. 2. Supplies and Expense . .	124,000	130,000
Sec. 43. PUBLIC SERVICE		
There is appropriated to the public service commission the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.		
General Operations and Management . . . . .	3,176,509	3,127,807
Approved Complement—1976-157 1977-164		
The amounts that may be expended from these funds for each program are as follows:		
Utilities		
Regulation	\$ 1,001,206	\$ 859,049
Warehouse and Transportation		
Regulation	\$ 522,829	\$ 536,573
Weights and Measures		
Regulation	\$ 767,311	\$ 791,528
General Support	\$ 885,163	\$ 940,657

The executive director with the approval of the commissioner of administration, may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on ap-

	1976	1977
	\$	\$
appropriations of the house of representatives.		

If at any time during the biennium ending June 30, 1975, the workload of the utilities regulation program falls below that which is anticipated and the executive director determines that the appropriated resources are in excess of that program's needs, he shall notify the commissioner of administration. The commissioner of administration may transfer any resources so deemed to be in excess to the state department of energy if that department can demonstrate sufficient need, and provided that no employee of the state shall lose any accrued rights or benefits.

#### Sec. 44. ECONOMIC DEVELOPMENT

Subdivision 1. Salaries, supplies, and expense .....	1,289,630	1,192,294
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##### Approved Complement—43

The appropriation for 1976 includes sufficient moneys for the development and publication of a statewide pictorial guide and a statewide vacation guide.

No more than one research project may be undertaken. The commissioner shall report to the next legislative session specific requests for research projects for the next biennium.

Subd. 2. Advertising and Publications .....	300,000	300,000
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None of these funds shall be expended for promotional expense.

Subd. 3. Matching Grants for Regional or Local Tourist Development .....	250,000	100,000
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The commissioner of economic development may enter into con-

	1976	1977
	\$	\$
tractual project agreements with organizations or corporations for the purpose of developing the tourism potential of the state.		
If in the judgement of the commissioner, a project will make a meaningful contribution to the tourism development of the state, he may enter into local or regional agreements. No agreement shall be for more than 50 percent of the total annual project cost.		
Sec. 45. AERONAUTICS		
Subdivision 1. Salaries .....	478,044	480,344
Approved Complement—33		
Subd. 2. Supplies and Expense .....	130,858	130,965
Subd. 3. Aeronautics Proceedings .....	9,000	9,000
This amount is available for the employment of consultants, expert witness fees, preparation of exhibits and other costs pertaining to aeronautics proceedings.		
Subd. 4. Aeronautics Safety and Education .....	22,100	21,100
Subd. 5. Airport Construction and Improvements		
(a) Key system airports .....	2,915,085	3,217,401
(b) Intermediate system airports .....	800,635	858,977
(c) State landing strips .....	803,295	872,902
The appropriations made in this subdivision shall be expended only for grant-in-aid programs for airports which are not state owned.		
These appropriations are to be expended in accordance with Minnesota Statutes, Section		

	1976	1977
	\$	\$
360.305, Subdivision 4 (1), (2), (4), and (5).		
The commissioner of aeronautics may transfer unexpended balances between the above items with the approval of the governor after consultation with the legislative advisory committee.		
Subd. 6. Navigational Aids ...	638,700	607,000
Subd. 7. Striping airport runways .....	29,500	22,500
Reimbursements from municipalities for striping runways shall be deposited in the state airport fund.		
Subd. 8. Operation and Maintenance of State-Owned Airports .....	118,100	
Not more than the indicated amounts shall be expended for each of the following:		
Orr	\$21,300	
Thief River Falls	\$74,300	
Pine Creek	\$22,500	

Provided that all operating income which is received from the operation of these airports shall be deposited as non-dedicated receipts to the state airport fund so long as the ownership is retained by the state.

Notwithstanding the provisions of Minnesota Statutes, Section 360.021, Subdivision 1, or any other law to the contrary, the commissioner of aeronautics shall acquire no additional state-owned airports during the biennium.

No moneys shall be expended by the commissioner of aeronautics under the appropriations made by subdivisions 5,

	1976	1977
	\$	\$
6, and 7, or any other law, for land acquisition, or for the construction, improvement, or maintenance of airports or for air navigation facilities for an airport, unless the governmental unit involved has or is establishing a zoning authority for that airport, and such authority has made a good faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with Minnesota Statutes 360.061 to 360.074.		
The commissioner of aeronautics is directed to make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.		
Any unexpended balance remaining in subdivisions 5 through 7 the first year shall not cancel but shall be available for the second year of the biennium.		
The amounts appropriated by this section are from the state airport fund.		
<b>Sec. 46. AGRICULTURE</b>		
There is appropriated to the commissioner of agriculture the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.		
Subdivision 1. General Operations and Management .....	6,078,363	6,150,409
Approved Complement—540		

1976

1977

\$

\$

The amounts that may be expended from these funds for each program are as follows:

Marketing Services  
and Market  
Development

\$ 489,821    \$ 493,198

Food Products and  
Poultry Regulation  
and Supervision

\$ 851,872    \$ 848,873

Development and  
Protection of  
Agricultural  
Resources

\$4,033,896    \$4,086,885

General Support

\$ 702,774    \$ 721,453

The commissioner of agriculture with the approval of the commissioner of administration, may transfer unexpended balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

All moneys collected by authority of Minnesota Statutes, Section 21.53, and all balances now on hand received from such source are appropriated for the purpose of carrying out the provisions of Minnesota Statutes, Section 21.47 to 21.58. All moneys collected by authority of Minnesota Statutes, Section 27.07, for services rendered pursuant to written contracts are appropriated for the purpose of carrying out the provisions of Minnesota Statutes, Chapter 27, and the moneys so collected and appropriated shall be in addi-



	1976	1977
	\$	\$
tion to and not in substitution for the sums appropriated in this section.		
The fees charged for grain in- spection and weighing shall be in accordance with section 68 of this act.		
Subd. 2. Agricultural Grants and Aids .....	269,625	269,725
These moneys to be expended in the same manner and with the same provisions as des- cribed in Laws 1973, Chapter 592, Section 4, and in the amounts listed in the work- sheets of the committee on finance of the senate. Provid- ed that the \$2,000 minimum premium list provision shall be waived for the biennium end- ing June 30, 1977.		
Subd. 3. County Fair Bicenten- nial Exhibits and Projects ....	100,000	
Provided that these funds shall be used to reimburse county fairs who received funds under Laws 1973, Chap- ter 592, Section 4, Subdivision 2(a).		
The payment to each county fair from this appropriation shall not exceed 20 percent of its total premiums paid in 1974.		
The funds appropriated by this subdivision shall be used solely for bicentennial exhibits or projects and shall not be available to augment the state share of other premiums.		
<b>Sec. 47. LIVESTOCK SANI- TARY BOARD</b>		
Subdivision 1. Salaries.....	602,646	602,646
Approved Complement—46		

	1976	1977
	\$	\$
Subd. 2. Supplies and Expense . . . . .	253,800	249,000
Subd. 3. Indemnities . . . . .	80,000	

No payment for less than \$1 for indemnities may be made.

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

Subd. 4. Field Laboratories . . .	67,000	67,000
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For the operation of field laboratories for the testing of poultry, including turkeys, for pullorum and other diseases.

Subd. 5. Contingent Account. . .	100,000	
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The funds appropriated in subdivision 5 shall be transferred to the various accounts of the livestock sanitary board at the request of the executive secretary of the board.

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

#### Sec. 48. REVENUE

Subdivision 1. Salaries . . . . .	10,822,892	10,816,852
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Approved Complement—925

Subd. 2. Supplies and Expense	4,749,625	4,900,447
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The above appropriation includes expenses for collection of rural cooperative electric taxes. Taxes retained by the department are to be deposited in the general fund.

The appropriations made by this section include sufficient moneys to carry out the ore estimate and classification functions previously per-

	1976	1977
	\$	\$
formed by the university of Minnesota.		
Subd. 3. Assessors Tuition . . .	60,000	60,000
<b>Sec. 49. INVESTMENT BOARD</b> .....	<b>668,863</b>	<b>693,113</b>

#### Approved Complement—27

The appropriations in this section are from the funds and in the amounts as follows:

<b>General Fund</b>		
Direct	\$240,790	\$249,520
<b>Teacher's Retirement Fund</b>	\$162,532	\$168,425
<b>Public Employee Retirement Fund</b>	\$140,123	\$145,203
<b>Minnesota State Retirement Fund</b>	\$ 72,577	\$ 75,208
<b>Trunk Highway Fund</b>	\$ 30,767	\$ 31,883
<b>County State Aid Fund</b>	\$ 14,047	\$ 14,556
<b>Municipal State Aid Fund</b>	\$ 8,027	\$ 8,318

Notwithstanding any other law to the contrary, the board of investment may lease or purchase a duplicating machine.

<b>Sec. 50. ENERGY</b> .....	<b>550,000</b>	<b>550,000</b>
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#### **Sec. 51. NATURAL RESOURCES**

There is appropriated to the commissioner of natural resources the following amounts for the purposes so stipulated in this section and as indicated in the workpapers of the committee on finance for the senate and the committee on appropriations of the house of representatives.

	1976	1977
	\$	\$
Subdivision 1. General Operations and Management . . . . .	29,240,953	28,343,553
Approved Complement—1269		
The amounts that may be expended from these funds for each program are as follows:		
Administrative Management Services	\$3,520,980	\$3,320,980
Regional Administration	\$1,708,559	\$1,708,559
Field Services Support	\$2,547,923	\$2,547,923
Water Resources Management	\$1,134,758	\$1,054,758
Minerals Resources Management	\$ 906,830	\$ 906,830
Forest Management	\$3,746,208	\$3,738,808
Fish Management	\$3,843,807	\$3,393,807
Wildlife Management	\$2,980,434	\$2,980,434
Ecological Surveys and Services	\$ 371,681	\$ 371,681
Parks and Recreation Management	\$4,467,558	\$4,467,558
Soil and Water Conservation Commission	\$ 471,428	\$ 471,428
Enforcement of Natural Resource Laws, Rules and Regulations	\$3,540,787	\$3,380,787

The commissioner of natural resources with the approval of the commissioner of administration, may transfer unex-

1976

1977

\$

\$

pending balances among the above programs. Such transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Of the amounts herein provided, \$18,296,915 for the first year and \$18,008,810 for the second year are appropriated from the general fund; \$10,344,038 for the first year and \$9,734,743 for the second year are appropriated from the game and fish fund; and \$600,000 each year is appropriated from the wildlife acquisition account.

In addition to the amounts herein appropriated, all moneys credited to the game and fish fund under Minnesota Statutes, Section 296.421, Subdivision 4, are appropriated to the commissioner of natural resources for the acquisition, improvement, development and maintenance of sites for public access to public waters and for lake improvement.

This appropriation provides additional personnel to staff regional administration offices so that certain functions now performed in St. Paul will be assigned to regional administration offices. Positions in the central office which are vacated or whose duties have been transferred are abolished no later than June 30, 1976. The positions designated for elimination shall total seven as indicated in the workpapers of the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1976	1977
	\$	\$

Of the amounts appropriated for water resources management, \$80,000 the first year is intended for a continuation of the sand plains area groundwater study as authorized by Laws 1973, Chapter 720, Section 43.

The department is authorized to implement a commissioner's order for a two dollar additional fee or license surcharge to take lake trout, brook trout, salmon, and other trout from the public waters of the state.

Of the amounts appropriated for fish management, the commissioner of finance is directed to cancel \$352,785 from the 1976 appropriation and \$102,785 from the 1977 appropriation on October 1, 1975, if prior to that date the commissioner of natural resources has not issued a commissioner's order to implement a license surcharge on 1976 and 1977 fishing licenses as authorized by this subdivision.

Should the commissioner implement a license surcharge, up to \$260,000 of the 1976 appropriation may be used for additional construction at the French River hatchery facility and the amount designated for this purpose shall not cancel the first year but shall be available until the project is completed or abandoned.

Of the amount appropriated for the enforcement and safety training for the first year, \$160,000 is designated for upgrading of radio communication equipment. The department is directed to seek federal assistance in the completion of this project. Any reimbursements or grants received which are in excess of the financial resources necessary

	1976	1977
	\$	\$
for the completion of this project shall be deposited as non-dedicated receipts as follows: 60 percent to the game and fish fund and 40 percent to the general fund.		
Subd. 2. Forest Inventory Supplemental .....	792,000	
For the costs of employing temporary staff and other costs relating to the first stage of a forest growth inventory.		
Subd. 3. Environmental Impact Statement—Reserve Mining Company Disposal Sites.....	200,000	
This appropriation shall be for analysis of all proposed on-land sites for tailings disposal. Should this appropriation prove to be insufficient, the commissioner shall inform the commissioner of administration and request that additional moneys be made available from whatever sources are appropriate.		
Any balance remaining in subdivisions 2 and 3 the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 4. Minneapolis Environmental Conservation Library—Grant-in-aid .....	50,000	50,000
Sec. 52. WATER RESOURCES BOARD	61,013	61,213
Approved Complement—2		
All hearings of the water resources board shall be solely in the performance of expressed statutory duties.		
Sec. 53. POLLUTION CONTROL AGENCY		
Subdivision 1. Salaries, Supplies, and Expense .....	3,573,879	3,480,796

	1976	1977
	\$	\$
Approved Complement—		
1976—194		
1977—197		
The department of health shall continue to render such staff services as the agency may require through the division of environmental health. The department of health is to be reimbursed, from this appropriation, for all costs of services rendered.		
Subd. 2. Additional Special Studies .....	240,000	
This appropriation includes funds for groundwater analysis.		
The agency is authorized and directed to negotiate with the federal government or any agency, bureau, or department thereof, for the purpose of securing and obtaining any grants of assistance in the completion of these studies.		
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 3. Automobile Recycling. .	800,000	800,000
The agency shall report to the 1977 session of the legislature the extent of the problem remaining and the necessity to continue this program at the current level.		
Subd. 4. Recycle Solid Waste—Grants-in-Aid .....	700,000	
This appropriation shall be expended only for feasibility studies and construction as provided in Minnesota Statutes, Section 116F.03, and not for administrative costs of the agency.		
Any unexpended balance remaining in the first year shall not cancel but shall be available		



	1976	1977
	\$	\$
for the second year of the biennium.		
Sec. 54. ZOOLOGICAL BOARD	900,000	2,000,000
For operation and pre-opening costs of the state zoological garden.		
Sec. 55. NATURAL RESOURCES ACCELERATION		
Subdivision 1. Minnesota Resources Commission together with any sums received as grants-in-aid from federal sources and any sums granted by private sources to carry out the purposes of the commission. ....	299,750	
The commission shall, during the biennium ending June 30, 1977, review the work programs and progress reports required under subdivision 10 of this section and report its findings and recommendations to the committee on finance for the senate and the committee on appropriations for the house of representatives and other appropriate committees. The commission shall report to the 70th session of the legislature its findings and recommendations regarding payments in lieu of taxes on state and federally owned land. The commission shall report its recommendations regarding recodification and reclassification of the laws pertaining to the Minnesota outdoor recreation resources commission and the Minnesota resources commission.		
The commission shall continue to monitor the activities regarding establishment and development of Voyageurs National Park, and will cooperate and coordinate with the citizens advisory committee if established and all appropriate state, federal and local agencies and shall		

1976

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advise the legislature on matters affecting state policy related thereto. The commission shall study the question of the state role in the use of abandoned railroad lands and report its recommendations to the legislature.

Natural resources acceleration appropriations to state agencies that receive programmatic appropriations shall be added to and disbursed from those respective programmatic appropriations. Those agencies will identify the source and disbursement of all moneys contained within the activities financed all or in part by programmatic appropriations and/or natural resources acceleration appropriations.

#### Subd. 2. Department of Administration

(a) Acquisition of state recreation lands and trails .....	3,725,000
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To be expended in accordance with the purposes and criteria of the outdoor recreation act of 1975 if enacted, and according to the priorities established in project 80. These funds may only be expended for lands within the authorized or designated boundaries of state parks, state recreation areas, state monuments, state waysides, state trails, state wild, scenic and recreational rivers, canoe and boating route riversites and state scientific and natural areas.

(b) Acquisition of land—state forests .....	350,000
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(c) Acquisition of land—historical interpretive centers .....	100,000
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For land acquisition as necessary for the interpretive centers

	1976	1977
	\$	\$
listed in subdivision 5 of this section		
(d) Acquisition of land—wildlife habitat .....	250,000	
(e) Acquisition of scenic easements—St. Croix riverway		
Notwithstanding any law to the contrary, the amount appropriated in Laws 1973, Chapter 720, Section 43, Subdivision 2 (c), but not expended due to administrative delays, is hereby reappropriated for the biennium ending June 30, 1977.		
(f) Voyageurs National Park Advisory Committee .....	35,000	
(g) Grants-in-aid for local recreation and natural areas .....	4,000,000	

This appropriation is to pay up to 50 percent of the total cost or 50 percent of the local share if federal matching funds are used, of long term lease, acquisition and development for recreational projects for the purposes described in Laws 1965, Chapter 810, Section 23, as amended by Laws 1969, Chapter 1139, Section 48, Subdivision 7 (g).

\$2,000,000 of this appropriation shall be reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473B.011, Subdivision 2.

Notwithstanding any other law to the contrary these grants are not contingent upon the matching of federal grants.

The state planning agency shall administer the natural resources and land and water conservation fund grants-in-aid to local units of government.

1976

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\$

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations to the legislative advisory committee regarding such expenditures.

(h) Grants-in-aid for regional recreation and natural areas. .

4,000,000

The state planning agency shall administer the natural resources and land and water grants-in-aid program.

\$2,000,000 of the appropriation shall be reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473B.011, Subdivision 2.

The amount needed, but not to exceed \$2,000,000 of this appropriation shall be transferred to the metropolitan council to pay principal and interest coming due in fiscal year 1976 on bonds issued pursuant to Laws 1974, Chapter 563, Section 7, Subdivision 2; none of this amount may be expended for professional services.

This appropriation is available to pay up to 100 percent of the local share for long term lease, acquisition and major development for recreation projects, natural areas and open space serving a regional need to counties, local units of government, special units of government and public educational institutions authorized to acquire, maintain and operate recreational and natural areas; provided that the state share shall not exceed 75 percent of the total acquisition for any project.

	1976	1977
	\$	\$
Priorities for use of funds provided in this subdivision will be given to projects eligible for federal funding and which are consistent with priorities established by regional recreation and open space plans.		
This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations to the legislative advisory committee regarding such expenditures.		
(i) Acquire land—Helmer Myre State Park .....	350,000	
This appropriation shall be available only if expansion of the present statutory boundaries of the current state park is enacted.		
(j) City of St. Paul .....	500,000	
For acquisition of the property known as the Crosby farm.		
The commissioner of administration shall transfer this amount to the city contingent upon proof that at least an equal amount of other than state funds is provided for the same purpose by local government.		
(k) If legislation is enacted which authorizes the issuance of state bonds to provide money for acquisition of land or interest in land for natural resource programs, the appropriations made in this section for state land acquisition, for wild, scenic and recreational rivers, state parks, state trails, state forests, and fish and wildlife habitat purposes, shall be null and void. In that instance, the appropriations made in		

	1976	1977
	\$	\$
<p>subdivision 2, (a), (b), (d), and (i) of this section remain available for expenditure, provided that no moneys shall be expended until the Minnesota resources commission establishes an expenditure program except that \$400,000 of the appropriations specified shall be appropriated to the commissioner of natural resources for implementation of the outdoor recreation act of 1975 if enacted. Allocations from the account shall be made by the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations regarding such allocations.</p>		
Subd. 3. Department of Education		
(a) FFA stocking of upland game birds .....	75,000	
(b) Matching funds for weather gauge program .....	15,000	
<p>This appropriation is available to pay 50 percent of the cost of weather gauges to be supplied to local FFA chapters. The state FFA supervisor shall recommend distribution of these moneys.</p>		
Subd. 4. Department of Health	11,000	
<p>For evaluation of problems relating to water pollution resulting from abandoned wells in southeast Minnesota.</p>		
Subd. 5. Minnesota Historical Society		
(a) Fort Snelling restoration—final appropriation .....	1,250,000	
(b) Historic trails study .....	20,000	

	1976	1977
	\$	\$
(c) Feasibility study—Fort Ridgely .....	25,000	
The study undertaken shall utilize all previous studies of the area and/or subject matter and shall demonstrate the consideration of previous conclusions, projects, development or other activities relating to the Fort Ridgely complex.		
(d) Feasibility study—Native American Interpretive Center, Pipestone .....	25,000	
The study undertaken shall utilize all previous studies of the area and/or subject matter and shall demonstrate the consideration of previous conclusions, projects, development or other activities relating to the Pipestone national monument.		
This study shall explain the relationship of any proposed developments to the existing national monument and facilities related thereto. The study shall also document the effects and benefits of any proposed additional development relating to the preservation of native American culture, including but not limited to the effects on local land use, local transportation and demand for government services.		
(e) Restore state map collection .....	30,000	
(f) Grants-in-aid for restoration of major historical structures .....	1,120,000	

Of the amount appropriated, not more than \$900,000 shall be available to Minnesota Landmarks Inc., and the city of St. Paul for restoration of the old federal courts building, contingent upon proof that at least

1976

1977

\$

\$

an equal amount is provided by other than state sources, after July 1, 1975.

Of the amount appropriated not more than \$200,000 shall be available for the restoration of the old Washington county courthouse contingent upon proof that at least an equal amount is provided by other than state sources, after July 1, 1975.

Of the amount appropriated, not more than \$20,000 shall be available for the restoration of the old Hinckley depot.

(g) Historic interpretive centers .....

865,000

For the establishment of a forest history center, Grand Rapids; voyageur history center, Koochiching county; St. Croix history center. Money for site acquisition is provided in subdivision 2 of this section. No land acquisition is authorized for the forest history center, Grand Rapids. Up to \$65,000 may be expended for the operation of these centers for the biennium ending June 30, 1977, with the approval of the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations to the legislative advisory committee regarding this expenditure. Operation costs after July 1, 1977, shall not be provided from this account.

Land shall be acquired by the department of administration. Title to the centers shall be vested in the state of Minnesota. Professional service expenses for acquisition are pro-



	1976	1977
	\$	\$
vided in subdivision 9 of this section.		
(h) Study of grist mills . . . . .	25,000	
The study shall include documentary evidence, field surveys and shall explain the need for preservation and the long range costs and benefits associated with restoration.		
(i) Preservation and restoration—officers row, Fort Snelling historic district . . . . .	150,000	
This appropriation shall be used only for major mechanical and structural renovation of the houses on Taylor Avenue and the annex in Fort Snelling. Non-profit organizations and agencies may refurbish and utilize the structures by agreement with the Minnesota historical society and at no expense to the state.		
Demolition of the structures may only occur with the approval of the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations to the legislative advisory committee regarding such action.		
(j) The Minnesota historical society is hereby authorized to establish and collect such fees as it may deem reasonable for admission to the state-owned sites which are under its control. All such fees that are collected from the operation of these state-owned sites shall be deposited in the general fund.		

For the purposes of this subdivision, the Minnesota historical society is exempted from

	1976	1977
	\$	\$
the competitive bidding procedures of Minnesota Statutes, Section 16.07, except for the construction projects in (g) and (i).		

Subd. 6. Department of Natural Resources

(a) State land recreation development .....	3,336,000
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To be expended in accordance with the provisions of the Minnesota outdoor recreation act of 1975 if enacted and in accordance with the recommendations of project 80. These funds shall only be expended for development within the authorized or designated boundaries of state parks, state recreation areas, state monuments and state waysides, state trails, state wild, scenic and recreational rivers, state scientific and natural areas. Of the above amount, \$1,800,000 is appropriated from the state parks development account.

The commissioner of natural resources shall describe the proposed expenditures from this appropriation to the committee on finance of the senate, the committee on appropriations of the house of representatives and the Minnesota resources commission. Of the above amount, \$1,536,000 shall be expended only upon projects which are eligible for federal land and water reimbursements.

(b) Level B study of the Mississippi river .....	50,000
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This appropriation provides staff and related expenses required to maintain state input

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to a state-federal study of the upper Mississippi river. The appropriation is available for the department of natural resources, \$32,000; for the pollution control agency, \$8,000; and the water resources council, \$10,000. The state input will be coordinated by the commissioner of natural resources.		
(c) Acceleration project—game lake management . . . . .	200,000	
For construction of two small dams, repair of outlet dam and channel excavation to manage water levels on Heron Lake in Jackson county.		
(d) Management—Upper St. Croix . . . . .	93,900	
This appropriation provides staff and related expenses to coordinate the state portion of acquisition and related activities for the upper St. Croix national scenic Riverway.		
(e) Planning for wild, scenic and recreational rivers . . . . .	300,000	
This appropriation provides expenses related to data gathering, planning, public hearings and other activities necessary prior to official designation of rivers or river segments as wild, scenic or recreational.		
(f) State soil and water conservation commission, grant-in-aid program for sediment and erosion control, demonstration project . . . . .	300,000	
This appropriation is available to provide funds for a demonstration grant-in-aid program to assist local units of government or local soil and water		

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conservation districts in solving sediment and erosion control problems by providing matching funds not to exceed 50 percent of the local share if federal funds are used. Guidelines for program operation and grant distribution shall be subject to approval by the Minnesota resources commission. Of the amount provided, not less than 85 percent shall be distributed as grants-in-aid.

The state soil and water conservation commission shall administer the grant-in-aid program. Priority for distribution of funds shall be given to projects eligible for federal matching funds. Projects designed to solve streambank and roadside erosion shall be given first priority.

(g) Dam repair and reconstruction .....

60,000

For the city of Grand Meadow as state participation in the repair and reconstruction including siltation removal of the dam at Pine Lawn Park, provided that the plan for reconstruction is approved by the commissioner of natural resources.

(h) Dam repair and reconstruction

The unexpended balance amounting to \$79,611 of the appropriation made in Laws 1969, Chapter 1139, Section 48, Subdivision 7(h), to the commissioner of natural resources for the city of Anoka to repair a dam on the Rum river is hereby reappropriated. The commissioner of natural

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resources is directed to reimburse the city of Anoka to fulfill the intent of the original grant.

(i) Nursery modification . . . .	75,000
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To modify General Andrews nursery cold storage operations to facilitate timely transfer of nursery stock to various areas of the state consistent with variations in planting seasons.

#### Subd. 7. State Planning Agency

(a) Develop air photo plan. . .	10,000
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The state planning agency shall coordinate the efforts of the various state agencies in developing a plan for acquiring aerial photography. The plan shall adequately address the needs of the user agencies and shall insure that there is a minimum, but sufficient, amount of photography and related mapping activity conducted by the state. This plan shall be completed and presented to the Minnesota resources commission prior to the expenditure of any money in (b).

(b) Small scale air photo maps	150,000
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The state planning agency shall coordinate the efforts of the various user agencies such that the maps produced provide a logical, consistent set of information for state agency use.

(c) Develop uniform generalized forest map for the entire state . . . . .	8,000
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The state planning agency shall coordinate the efforts of the various state agencies to

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secure the information necessary and produce a map of forested lands in the state which is uniform and generalized.		
Subd. 8. Regents of the University of Minnesota . . . . .	100,000	
For acceleration of detailed county soil surveys. The costs of the program shall be shared between local, state, and federal units of government.		
Subd. 9. Professional Services		
(a) Department of natural resources		
Of the amounts appropriated to the commissioner of natural resources in this section, not more than \$1,026,300 may be expended for professional services.		
(b) Department of administration		
Of the amount appropriated to the commissioner of administration, not more than \$620,750 may be expended for professional services related to land acquisition.		
(c) State planning agency		
Of the amounts appropriated in Subdivision 2 (g) and (h) of this section, the commissioner of administration shall transfer \$196,000 to the state planning agency for administration of the grants-in-aid programs specified therein.		
Subd. 10. It shall be a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation shall submit work programs and semi-annual progress re-		

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ports in such form as may be determined by the Minnesota resources commission. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program.

Subd. 11. Natural Resources  
Federal Reimbursement Account

Reimbursements and matching monies received from the federal government for the purposes described in Minnesota Statutes, Chapter 86, regardless of the source of state match, credit or value used to earn the reimbursement or matching funds, shall in the first instance be credited to a federal receipt account by the state agency receiving such reimbursements or matching moneys.

Any state department or agency, including the Minnesota historical society and the university of Minnesota, which receives reimbursements or matching moneys as described above shall transfer those amounts to the natural resources federal reimbursement account. Of the amounts transferred, \$1,000,000 is appropriated for the purposes of that account. The balance of funds so transferred shall be deposited in the general fund. The provision for transfer shall not apply to federal aid reimbursements received under Minnesota Statutes, Section 16A.68.

Any Land and Water Conservation fund moneys received over and above the normal state

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apportionment from that fund are also appropriated for the purposes of the natural resources federal reimbursement account. This appropriation shall be considered as additional to the specific amount appropriated from the amounts transferred in this subdivision.

Any and all federal reimbursements earned under expenditures made from appropriations for natural resources acceleration for the period from July 1, 1963, through June 30, 1969, shall be deposited to the general fund, provided that the state appropriation was used initially to finance the federal share of project costs.

These appropriations are available for the purposes of state land acquisition and development as described in this section, when such acquisition and development is deemed to be of an emergency or critical nature. In addition these moneys shall be available for studies initiated by the Minnesota resources commission which are found to be proper in order for the commission to carry out its legislative charge.

All requests for allocation from the account for acquisition of development must be accompanied by a certificate signed jointly by the state planning officer and the bureau of planning of the department of natural resources, showing a review of the application against the state outdoor recreation act of 1975, if enacted, the state recreation plan and project 80. Copies of such certification must be submitted to the appropriate legislative committees and commissions.



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The appropriations made under the above paragraphs shall be expended with the approval of the governor after consultation with the legislative advisory committee. The Minnesota resources commission shall make recommendations to the legislative advisory committee regarding such expenditures.

Any unexpended balance remaining in the first year from appropriation made in this section shall not cancel but shall be available for the second year of the biennium.

#### Sec. 56. WORKMEN'S COMPENSATION

For 1975—\$273,765.72

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

Agriculture	35,977.80
Economic Development	933.83
Judicial-District Court Judges	2,312.90
Military Affairs	22,743.49
Natural Resources	126,098.64
Legislative Audit Commission	4,568.68
Public Safety	26,805.94
Public Service	4,849.25
Revenue	33,062.68
Governor	3,932.15
Livestock Sanitary Board	11,782.45
Tax Court	697.91

	1976	1977
	\$	\$

## Sec. 57. UNEMPLOYMENT COMPENSATION

For 1975—\$614,341.91

Agriculture	17,023.58
Indian Affairs	1,039.68
Natural Resources	581,709.81
Minnesota Legislative Building Commission	1,280.00
Military Affairs	4,090.05
Minnesota Commission for the Handicapped	2,210.00
Attorney General	2,207.46
Labor and Industry	3,044.24
Governor	1,737.09

Of the amount appropriated, \$159,090  
is from the game and fish fund.

Sec. 58. TRANSFER OF FUNDS. The commissioner of finance is hereby directed to make the following transfers:

Subdivision 1. There is hereby transferred to the general fund the sum of \$1,337,419.72 to reimburse the general fund for the cost of collecting the tax on gasoline and gasoline substitutes and the cost of bond premiums during the 1973-75 biennium from the highway user tax distribution fund.

Subd. 2. There is hereby transferred from the general fund the sum of \$1,228.50 to correct an overestimate in the cost of collecting the tax on gasoline and gasoline substitutes during the 1971-73 biennium, the sum to be transferred to the highway user tax distribution fund.

Subd. 3. There is hereby transferred from the general fund the sum of \$137.54 to correct an overestimate in the cost of mailing gas tax refunds during the 1971-73 biennium, the sum to be transferred to the highway user tax distribution fund.

Subd. 4. There is hereby transferred to the general fund the following sums to reimburse the general fund for amounts transferred out of the general contingent account for the following purposes:

(a) From the state airports fund for the department of aeronautics, supplies and expense, for the year ending June 30, 1975 . . . \$15,000.00

(b) From the trunk highway fund for the Mississippi river parkway commission, for the year ending June 30, 1975 . . . \$ 7,337.51

Sec. 59. Any moneys made available to any state department or

agency by this act of appropriation, transfer or otherwise for the payment of salaries is a source of revenue to such department or agency under the provisions of Minnesota Statutes, Sections 355.50 and 352.04, Subdivision 5.

**Sec. 60. OPEN APPROPRIATION FOR EMPLOYEE COMPENSATION INCREASES.**

Subdivision 1. There is appropriated to the commissioner of administration from the appropriate funds in the state treasury such sums as may be necessary to pay increases in compensation and other economic benefits of classified and unclassified officers and employees of the legislative, executive, and judicial branches of state government, members of the state highway patrol, and employees of the Minnesota historical society and non-academic employees of the university of Minnesota who are paid from state funds, if such increases are authorized by law during the 1975 session of the legislature or if such increases are authorized by appropriate resolution for employees of the legislature.

Subd. 2. The commissioner shall certify the amounts necessary per subdivision 1 of this section to the commissioner of finance, who shall transfer such amounts to the appropriate accounts. Sums so certified and transferred are hereby appropriated. The appropriations made by this section are for the biennium beginning July 1, 1975.

Subd. 3. Any sums certified and transferred to the university of Minnesota under the provisions of this section or Minnesota Statutes, Sections 43.50, 352.04, Subdivision 5, and 355.50 shall only be used for the purpose certified. Any sum transferred that exceeds the increased cost above the amount appropriated for that purpose shall be returned and deposited in the state treasury.

Subd. 4. Notwithstanding any other law to the contrary, the appropriations made to the commissioner of administration in Laws 1973, Chapter 720, Section 58, shall continue to be available for the purposes specified until June 30, 1977, unless those purposes are amended or modified during the 1975 session of the legislature.

Sec. 61. Any balance remaining on June 30, 1975, of the appropriation made to the public service commission by Laws 1973, Chapter 209, for passenger railroad service is hereby reappropriated for the biennium ending June 30, 1977.

Sec. 62. Minnesota Statutes 1974, Section 4.11, Subdivision 5, is amended to read:

Subd. 5. The governor may direct any state department or other agency of the state government to furnish the state planning agency with such personnel, equipment, and services as are necessary to enable it to carry out its powers and duties, *and prescribe the terms thereof, including reimbursement of costs thereof.* ~~Any moneys paid to a state department or other agency of the state government pursuant to this subdivision are hereby annually appropriated to such department or agency for the same purposes for which its funds were expended in furnishing personnel, equipment, and services to the state planning agency. When requested by the~~

*state planning agency to perform planning work, state agencies will be expected to use existing staff.*

Sec. 63. Minnesota Statutes 1974, Section 5.08, Subdivision 2, is amended as follows:

Subd. 2. [DISTRIBUTION.] 15,000 copies of the legislative manual shall be printed and distributed as follows:

~~(1)~~ 50 copies to the president of the Senate;

~~(2)~~ (1) 25 copies shall be available to each member of the legislature on request;

~~(3)~~ (2) 50 copies to the state historical society;

~~(4)~~ (3) 25 copies to the state university;

~~(5)~~ (4) 60 copies to the state library;

~~(6)~~ (5) Two copies each to the library of Congress, the Minnesota Veterans home, the state colleges, the state high schools, the public academies, seminaries, and colleges of the state, and the free public libraries of the state;

~~(7)~~ (6) One copy each to the state institutions not hereinbefore mentioned, the elective state officials, the appointed heads of departments, the officers and employees of the legislature, the justices of the supreme court, the judges of the district court, the senators and representatives in Congress from this state, and the county auditors;

~~(8)~~ (7) One copy to each public school, to be distributed through the county superintendent of schools; and

~~(9)~~ (8) The remainder may be disposed of as the secretary of state deems best, and at a price the secretary of state shall establish. All receipts from the sale of the legislative manual shall be deposited to the general fund.

Sec. 64. MISAPPROPRIATION OF FUNDS. It shall be illegal for any state officer or head of any state department or any employees thereof to use moneys appropriated by this act, or fees collected, for any other purpose than the purpose for which such moneys have been appropriated and any such act by any such person shall be cause for immediate removal from the office or position he holds with the government of the state, provided however, that funds may be transferred to the credit of the state employees retirement fund and used for the purposes thereof as provided by law.

Sec. 65. Minnesota Statutes 1974, Section 12.21, Subdivision 3, is amended as follows:

Subd. 3. In performing his duties under this chapter and to effect its policy and purpose, the governor is further authorized and empowered:

(1) To make, amend, and rescind the necessary orders, rules, and regulations to carry out the provisions of this chapter within

the limits of the authority conferred upon him herein, with due consideration of the plans of the federal government and without complying with sections 15.0411 to 15.049, inclusive, but no order, rule or regulation shall have the force and effect of law except as provided by section 12.32;

(2) To prepare a comprehensive plan and program for the civil defense of this state, such plan and program to be integrated into and coordinated with the civil defense plans of the federal government and of other states to the fullest possible extent, and to coordinate the preparation of plans and programs for civil defense by the political subdivisions of this state, such plans to be integrated into and coordinated with the civil defense plan and program of this state to the fullest possible extent;

(3) In accordance with such plan and program for the civil defense of this state, to procure supplies and equipment, to institute training programs and public information programs, and to take all other preparatory steps, including the partial or full mobilization of civil defense organizations in advance of actual disaster, to insure the furnishing of adequately trained and equipped forces of civil defense personnel in time of need;

(4) To make such studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the capabilities of the state for civil defense, and to plan for the most efficient emergency use thereof;

(5) On behalf of this state, to enter into mutual aid arrangements with other states and to coordinate mutual aid plans between political subdivisions of this state;

(6) To delegate any administrative authority vested in him under this chapter, except the power to make rules and regulations, to provide for the subdelegation of any such authority;

(7) To appoint, in cooperation with local authorities, metropolitan area directors when practicable;

(8) To cooperate with the president and the heads of the armed forces, the civil defense agency of the United States and other appropriate federal officers and agencies, and with the officers and agencies of other states in matters pertaining to the civil defense of the state and nation, including the direction or control of

(a) blackouts and practice blackouts, air raid drills, mobilization of civil defense forces, and other tests and exercises;

(b) warnings and signals for drills or attacks and the mechanical devices to be used in connection therewith;

(c) the effective screening or extinguishing of all lights and lighting devices and appliances;

(d) shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(e) the conduct of civilians and the movement and cessation

of movement of pedestrians and vehicular traffic during, prior, and subsequent to drills or attack;

(f) public meetings or gatherings; and

(g) the evacuation, reception, and sheltering of the civilian population;

(9) To contribute, with the approval of the executive council, to a political subdivision, within the limits of the appropriation therefor, not more than 25 percent of the cost of acquiring organizational equipment which meets standards established by him;

(10) To formulate and execute, with the approval of the executive council, plans and regulations for the control of traffic in order to provide for the rapid and safe movement over public highways and streets of troops, vehicles of a military nature, materials for national defense and war or for use in any war industry, for the conservation of critical materials or for civil defense purposes, and to coordinate the activities of the departments or agencies of the state and of the political subdivisions thereof concerned directly or indirectly with public highways and streets, in a manner which will best effectuate such plans.

Sec. 66. Minnesota Statutes 1974, Chapter 16, is amended by adding a section to read:

[16. ] [REIMBURSEMENTS TO THE STATE BY EMPLOYEES.] *By October 1, 1975, the commissioner of administration shall develop and implement reimbursement rates and necessary operating policies regarding state-owned vehicles assigned to individual employees for extended use in the performance of their assigned duties. Reimbursement to the state by employees shall be made for the full cost to the state of the commuting benefits to the employee for travel to and from his place of residence and other mileage incurred for purposes outside the employee's normal work assignment. The operating policies shall include rules pertaining to storage, use in car pooling and other matters. All monies received under this provision shall be deposited as non-dedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.*

Sec. 67. Minnesota Statutes 1974, Section 16.012, is amended to read:

16.012 [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE DEPARTMENTS.] *The commissioner of administration may lease portions of the state owned building located at 117 West University Avenue, St. Paul, Minnesota, and the state owned building known as the centennial building buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state departments and agencies and charge rent therefor on the basis of space occupied. Notwithstanding the provisions of any law to the contrary, all moneys collected as rent pursuant to the terms of this section shall be deposited in the state treasury and credited to the account known as the general fund. Moneys collected as rent for the purpose of recovering depreciation*

*costs of buildings built with dedicated funds shall be credited to the dedicated funds which funded the original acquisition or construction. All other moneys received shall be credited to the general fund.*

Sec. 68. Minnesota Statutes 1974, Section 17B.15, is amended to read:

**17B.15 [FEES FOR INSPECTION AND WEIGHING.]** *Subdivision 1. The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. If the grain is in transit, such fees shall be paid by the carrier and treated as advance charges, and, if received for storage, such fees shall be paid by the warehouseman, and added to the storage charges. All moneys so collected and all fines and penalties for violation of any provision of this chapter shall be paid into the state treasury.*

*Subd. 2. The commissioner is directed to adjust his schedule of fees before the end of each fiscal year to provide that the initial charge made for services to be rendered during the next fiscal year shall be sufficient to provide an income during the latter fiscal year equal to the amount of the expenditures for that year for salaries, overtime, expenses, which shall include without limitation, an amount for state retirement and social security contributions. If the income from the fees provided for herein during any fiscal year is more than 103 percent of the expenditures for that year, the commissioner in adjusting his schedule of fees for use in the next fiscal year shall fix the fees to produce income in the amount of that expenditure less the amount of the excess over 103 percent of the expenditures first referred to herein. If the income from the fees provided for herein during any fiscal year is less than the expenditures for that year, the commissioner in adjusting his schedule of fees for use in the next fiscal year shall fix the fees to produce income in the amount of such expenditure for the latter year plus the amount of the difference between the expenditure for the year first referred to herein and the total income from the fees during that year, and plus three percent of the total expenditure for both the latter and the first year referred to herein. The schedule of fees shall provide that any elevator, mill, or other business requesting a weighing or inspection service, shall pay a minimum charge per hour for each employee requested or assigned. Any fees earned by the employee shall be credited against the charge made therefor. The minimum charge shall be assessed only after taking into consideration all fees earned and all hours charged. Excess fees earned over hours charged shall be carried forward from month to month during any one fiscal year. When deemed necessary by the commissioner, a charge for actual overtime costs may be made.*

Sec. 69. Minnesota Statutes 1974, Section 29.021, is amended to read:

**29.021 [POWERS AND DUTIES OF COMMISSIONER OF AGRICULTURE.]** *The commissioner of agriculture shall have the power to employ such persons as are necessary to carry out the provisions of sections 29.021 to 29.091, and to fix all salaries and provide for expenses generally not inconsistent with law. The commissioner is authorized and directed to formulate and adopt plans whereby*

owners of poultry flocks and poultry breeding flocks may, upon application, have their flocks culled, inspected, and supervised, to the end that these flocks may be accredited and certified for standard type and egg quality and production; and likewise, poultry hatcheries and dealers may be accredited and certified as hatching and selling products produced only from accredited and certified flocks. The commissioner is authorized to make, publish, and enforce rules and regulations to these ends, not inconsistent with law, and to define, prescribe, and authorize the use of uniform terminology to apply to varying degrees of accreditation and certification. The commissioner is authorized to adopt the "standard breeding plan" of accreditation and certification sponsored by the United States department of agriculture, or any other plan, and to cooperate with that department in matters of poultry improvement, egg quality and production. The commissioner is authorized to prescribe and collect fees for inspection and supervision, and to prescribe and furnish labels, leg bands, and certificates of accreditation and certification and such other supplies as may be necessary, and to prescribe and collect fees for the same. *Fees shall be fixed by the commissioner at the beginning of each fiscal year and reviewed and adjusted, if necessary, at the end of each six month period in order that the fees prescribed shall, insofar as practicable, cover the cost of all services rendered.* The commissioner is authorized to do such other things as he may deem needful and expedient to improve poultry breeding and practices and egg quality and production and to give effect to sections 29.021 to 29.091, in connection with those parties who wish to comply with the programs promulgated in accordance with this section.

Sec. 70. Minnesota Statutes 1974, Section 30.20, is amended to read:

30.20 [FEES.] Fees for inspection shall be determined by the commissioner. *Fees shall be reviewed and, if necessary, adjusted each six months to the end that such fees shall, insofar as it is practicable, cover the cost of the services rendered.*

Sec. 71. [REPEALER.] *Minnesota Statutes 1974, Section 33.17, is repealed.*

Sec. 72. [REPEALER.] *Minnesota Statutes 1974, Section 201.34, is repealed.*

Sec. 73. Minnesota Statutes 1974, Chapter 299D, is amended by adding a section to read:

[299D.06] [INSPECTIONS; WEIGHING.] *Personnel to enforce the laws relating to motor vehicle equipment, school bus equipment, drivers license, motor vehicle registration, motor vehicle size and weight, and motor vehicle petroleum tax to enforce public service commission regulations relating to motor carriers, and to enforce pollution control agency regulations relating to motor vehicle noise abatement shall be classified employees of the commissioner of public safety assigned to the division of highway patrol. Employees engaged in these duties, while actually on the job during their working hours only, shall have power to arrest and prepare notices to appear in court for violation of these laws and regulations, in the manner provided in section 169.91. They*



*shall not be armed and shall have none of the other powers and privileges reserved to peace officers.* . .

Sec. 74. [REPORT ON FEES.] The commissioner of administration shall review and analyze fees collected by state departments and agencies. The commissioner shall prepare a report on those fees in which the cost of collections of the fee and the service provided for the fee appear excessive in relation to the amount of the fee collected. The report shall be submitted by November 15, 1976, to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 75. The balance of the appropriation made by Laws 1973, Chapter 748, Section 9, which has been encumbered for contracts with regions, municipalities, and public institutions for the purposes of Minnesota Statutes 116F.03 shall not cancel on June 30, 1975, but shall remain available until expended.

Sec. 76. Laws 1965, Chapter 415, Section 1, Subdivision 2, is amended to read:

Subd. 2. In the furtherance of public safety in the Soudan State Park, the *commissioner of the department of conservation natural resources* shall utilize any available services of the *safety division of the state industrial commission department of labor and industry* and shall *may* contract with the county of St. Louis in a sum not exceeding \$500 annually for payment of all for reasonable and necessary inspections of said mine and all equipment used therein, as provided by the rules and regulations of the *safety division of the state industrial commission department of labor and industry*. There shall be appropriated to the commissioner of *conservation from the general revenue fund of the state of Minnesota* the sum of \$500 annually to carry out the purpose of this act. *Cost of inspections shall be paid from appropriations made to the department of natural resources.*

Sec. 77. Laws 1965, Chapter 415, Section 1, Subdivision 3, is amended to read:

Subd. 3. If at any time the *state industrial commission commissioner of the department of labor and industry* deems that said mine or its equipment is not safe for public use, the *commissioner* shall issue an order that said mine shall be closed, and the public shall be barred therefrom until further order of the *commissioner authorizing the reopening of said mine.*

Sec. 78. When any state agency or department proposes to contract with a person, other than a state employee, for information relating to whether or not an activity should be undertaken, that agency or department shall consult with the state planning agency prior to entering into any contract. The state planning agency shall advise as to whether the information to be obtained through the proposed contract can be obtained more economically in another way, such as through the services of another state agency or department. If a consulting contract is entered into by the state, a copy of the contract shall be immediately filed with

the state planning agency, which shall continuously monitor work performed under the contract. The contracting agency shall also continuously monitor work performed under the contract."

Further amend the title by striking it in its entirety and inserting:

"A bill for an act relating to the organization and operation of state government; appropriating money therefor and limiting the use thereof; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; authorizing, fixing and limiting the amount of fees to be collected in certain cases; authorizing the disposal of certain property; requiring certain reports to be prepared; authorizing certain grants-in-aid; providing penalties for misusing appropriated moneys; amending Minnesota Statutes 1974, Sections 4.11, Subdivision 5; 5.08, Subdivision 2; 12.21, Subdivision 3; Chapter 16 by adding a section; 16.012; 17B.15; 29.021; 30.20; Chapter 299D by adding a section; Laws 1965, Chapter 415, Section 1, Subdivisions 2 and 3; repealing Minnesota Statutes 1974, Sections 33.17 and 201.34."

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

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

H. F. Nos. 1058, 1519 and 1129 for comparison to companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

CALENDAR OF					
GENERAL ORDERS		ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1058	929				
1519	1463				
1129	1157				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1058 be amended as follows:

Page 2, delete lines 5 to 7 and insert

"Sec. 2. Acquisition may be by eminent domain."

And when so amended, H. F. No. 1058 will be identical to S. F. No. 929 and further recommends that H. F. No. 1058 be given its second reading and substituted for S. F. No. 929 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1519 be amended as follows:

Page 1, line 17, delete "\$6,000,000" and insert "\$7,600,000"

Page 1, line 18, strike "four" and insert "two"

Page 2, after line 5, insert the following:

"Sec. 2. Laws 1971, Chapter 773, Section 3, is amended to read:

Sec. 3. The council of said city shall by ordinance provide for the preparation and adoption, by resolution, of an annual capital budget for said city for each year of the ~~the aforementioned four year period~~, and no funds of said city, from whatever source derived, shall be expended for any capital improvement other than acquisition of office or mechanical equipment, or for minor remodeling or repairs of existing structures, except in accordance with said capital budget, which may, however, be from time to time amended as the council may by ordinance prescribe. Sums appropriated in the capital budget may be expended regardless of the amounts appropriated to the various budget funds of the city pursuant to the charter thereof. The council of said city may carry out the capital improvements program authorized by this act under and pursuant to an ordinance adopted by it subsequent to the passage of this act or it may carry out such program under and pursuant to the provisions of the ordinance presently in effect, adopted pursuant to the provisions of Laws 1967, Chapter 460, and such amendments thereto as the council may hereafter adopt.

Sec. 3. Laws 1971, Chapter 773, Section 4, is amended to read:

Sec. 4. No proceeds of any bonds issued pursuant to section 1 hereof shall be expended for the construction or equipment of any portion of the St. Paul auditorium or civic center connected thereto; *nor shall any such proceeds be expended for the acquisition or betterment of the building known as the Lowry Medical Arts Annex. All bonds issued under this act shall mature at any time or times within 10 years from the date of issue.*

Sec. 4. Subdivision 1. [CITY COUNCIL AS COMMISSIONERS OF PORT AUTHORITY.] *Notwithstanding any provision of Minnesota Statutes, Section 458.10 or any other law or the charter of the city of St. Paul to the contrary, the St. Paul port authority shall consist of the members of the city council of the city of St. Paul.*

Subd. 2. [IMPAIRMENT OF EXISTING OBLIGATIONS.] *No existing obligation, contract, agreement or covenant made or entered into by the St. Paul port authority shall be in any manner impaired by the adoption of this act.*

Subd. 3. *The establishment of the St. Paul city council as the commissioners of the St. Paul authority shall not affect the rights of any employees of the port authority, including but not limited to any rights pursuant to an existing collective bargaining agreement or fringe benefit plan. The employees shall remain as employees of the port authority and shall not be employees of the city of St. Paul.*

Sec. 5. Subdivision 1. [CITY COUNCIL AS COMMISSIONERS OF HOUSING AND REDEVELOPMENT AUTHORITY.] *Notwithstanding the provisions of Laws 1963, Chapter 514, Minnesota Statutes, Section 462.425, or any other law or the charter of the city of St. Paul to the contrary, the housing and redevelopment authority of the City of St. Paul shall consist of the members of the city council of the city of St. Paul.*

*Subd. 2. [IMPAIRMENT OF EXISTING OBLIGATIONS.] No existing obligation, contract, agreement or covenant made or entered into by the housing and redevelopment authority of the city of St. Paul shall be in any manner impaired by the adoption of this act.*

*Subd. 3. The establishment of the St. Paul city council as the commissioners of the St. Paul housing and redevelopment authority shall not affect rights of any employees of the housing and redevelopment authority, including but not limited to any rights pursuant to an existing collective bargaining agreement or fringe benefit plan. The employees shall remain as employees of the housing and redevelopment authority and shall not be employees of the city of St. Paul."*

Renumber the remaining section

Further, amend the title as follows:

Delete lines 5 and 6 and insert:

"providing that the St. Paul port authority and the housing and redevelopment authority of the city of St. Paul shall consist of the members of the city council; amending Laws 1971, Chapter 773, Section 1, as amended, and Sections 3 and 4."

And when so amended, H. F. No. 1519 will be identical to S. F. No. 1463 and further recommends that H. F. No. 1519 be given its second reading and substituted for S. F. No. 1463 and that the Senate File be indefinitely postponed.

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 1129 be amended as follows:

Page 1, line 13, delete "cities" and insert "city"

Page 1, lines 13 and 14, delete "and South St. Paul"

Page 1, line 15, before "some" insert "some of which need to be destroyed, and"

Page 1, delete lines 16 and 17

Page 1, line 18, delete "these cities" and insert "replace housing which is destroyed"

Page 2, line 4, delete "cities" and insert "city"

Page 2, lines 4 and 5, delete "and South St. Paul each may" and insert "is authorized to"

Page 2, line 13, delete "for rehabilitation and new construction"

Page 2, line 21, delete "or" and insert "and"

Page 2, lines 21 and 22 delete "and instrumentalities thereof;" and insert "; and"

Page 2, line 26, delete "; and" and insert a period

Page 2, delete lines 27 to 29

Page 2, lines 30 and 31, delete "councils of the cities of Bloomington and South St. Paul each" and insert "council"

Page 3, lines 6 and 7, delete "city councils of the cities of Bloomington and South St. Paul each" and insert "governing body of the city of Bloomington"

Page 3, line 8, after "city" insert "of Bloomington"

Page 3, line 9, after "475" delete the comma

Page 3, delete line 10

Page 3, line 11, delete "obligation is not required"

Page 3, line 13, delete "in each city"

Page 3, line 14, delete "not"

Page 3, line 23, delete "cities" and insert "city"

Page 3, lines 23 and 24, delete "and South St. Paul each may" and insert "is authorized to"

Page 4, line 3, delete "councils" and insert "council"

Page 4, line 3, delete "cities" and insert "city"

Page 4, line 4, delete "and South St. Paul each"

Page 4, line 12, delete "cities" and insert "city"

Page 4, line 12, delete "and South St. Paul each"

Page 4, line 19, delete "shall" and insert "may covenant and agree"

Page 4, line 19, after "not" insert "to"

Page 4, delete lines 23 to 26 and insert

"Sec. 5. This act takes effect when approved by a majority of the city council of the city of Bloomington and upon compliance with Minnesota Statutes, Section 645.021."

Amend the title as follows:

Page 1, line 2, delete "cities" and insert "city"

Page 1, line 2, delete "in Hennepin" and insert a semicolon

Page 1, delete line 3

And when so amended, H. F. No. 1129 will be identical to S. F. No. 1157 and further recommends that H. F. No. 1129 be given its second reading and substituted for S. F. No. 1157 and that the Senate File be indefinitely postponed.

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. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred H. F. Nos. 925 and 1050 for proper refer-

ence, recommends the above House Files be re-referred to their respective Committees as follows:

H. F. No. 1050 to the Committee on Judiciary.

H. F. No. 925 to the Committee on Natural Resources and Agriculture.

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.

### APPOINTMENTS

Mr. Davies, from the Committee on Committees, recommended that the following named Senators be and they hereby are appointed as a Conference Committee on S. F. No. 177, pursuant to the request of the Senate:

Messrs. North, Milton and Kowalczyk.

Mr. Davies moved that the foregoing appointments be approved. The motion prevailed.

Mr. Davies, from the Committee on Committees, recommended that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 100, pursuant to the request of the House:

Messrs. Borden, Olhoft, Dunn, Schrom and Bernhagen.

Mr. Davies moved that the foregoing appointments be approved. The motion prevailed.

Mr. Davies, from the Committee on Committees, recommended that the following named Senators be and they hereby are appointed as a Conference Committee on H. F. No. 911, pursuant to the request of the House:

Messrs. Borden, McCutcheon, Humphrey, Nelson and Jensen.

Mr. Davies moved that the foregoing appointments be approved. The motion prevailed.

### SECOND READING OF HOUSE BILLS

H. F. Nos. 1494, 503, 661, 1, 1674, 1758, 1741, 1743, 1058, 1519, 1759 and 1129 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Davies moved that H. F. No. 1146 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Davies moved that H. F. No. 1456 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Gearty moved that H. F. No. 525 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 11:30 o'clock a.m., Wednesday, May 7, 1975. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate