

SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Friday, February 27, 1976

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. William Schonebaum.

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

Anderson	Dunn	Knutson	Olson, H. D.	Solon
Ashbach	Fitzsimons	Kowalczyk	Olson, J. L.	Spear
Berg	Gearty	Larson	O'Neill	Stokowski
Bernhagen	Hansen, Baldy	Laufenburger	Patton	Stumpf
Brataas	Hansen, Mel	Lewis	Perpich, G.	Tennessee
Brown	Hanson, R.	McCutcheon	Pillsbury	Ueland
Chenoweth	Hughes	Merriam	Purfeerst	Wegener
Chmielewski	Humphrey	Milton	Renneke	Willet
Coleman	Josefson	Moe	Schaaf	
Conzemius	Keefe, J.	Nelson	Schmitz	
Davies	Kirchner	Ogdahl	Schrom	
Doty	Kleinbaum	Olson, A. G.	Sillers	

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. Arnold; Bang; Blatz; Borden; Frederick; North; Olhoff; Perpich, A. J.; and Stassen were excused from the Session of today. Messrs. Berg and Renneke were excused from the Session of today at 1:45 o'clock p.m. Messrs. Hansen, Mel and Olson, J. L. were excused from the Session of today at 2:00 o'clock p.m.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Ueland; Olson, H. D. and Patton introduced—

S. F. No. 2344: A bill for an act relating to motor vehicles; authorizing the issuance of temporary vehicle permits for certain specified purposes; amending Minnesota Statutes 1974, Sections 168.091, Subdivision 1; and 168.092, Subdivision 1.

Referred to the Committee on Transportation and General Legislation.

Mr. Tennesen introduced—

S. F. No. 2345: A bill for an act relating to public information; limiting use of certain information contained on commercial mailing lists; requiring permits and posting of bonds; defining terms.

Referred to the Committee on Judiciary.

Mr. Tennesen introduced—

S. F. No. 2346: A bill for an act relating to collection and dissemination of data; providing definitions; requiring a public document on data collection; authorizing audits of data collection practices and policies; providing for emergency classification in certain situations; amending Minnesota Statutes 1974, Chapter 15, by adding a section; and Minnesota Statutes, 1975 Supplement, Sections 15.162, Subdivisions 2a, 4, 5, 5a and 8; 15.163, Subdivisions 1 and 2, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Willet introduced—

S. F. No. 2347: A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, by adding a section; making certain laws subject to referendum.

Referred to the Committee on Judiciary.

Messrs. Hansen, Mel; and Laufenburger introduced—

S. F. No. 2348: A bill for an act relating to highway traffic regulations; following a vehicle too closely; amending Minnesota Statutes 1974, Section 169.18, Subdivision 8.

Referred to the Committee on Transportation and General Legislation.

Mr. McCutcheon introduced—

S. F. No. 2349: A bill for an act relating to motor vehicles; providing for the registration of certain vehicles; amending Minnesota Statutes, 1975 Supplement, Section 168.10, Subdivision 1.

Referred to the Committee on Transportation and General Legislation.

Mr. McCutcheon introduced—

S. F. No. 2350: A bill for an act relating to retirement; distribution of state aid to policemen's relief associations; amending Minnesota Statutes 1974, Sections 69.011, Subdivisions 1, 2, and 4; and 69.021, Subdivisions 5, 6, and 7.

Referred to the Committee on Governmental Operations.

Messrs. Hughes, O'Neill and Anderson introduced—

S. F. No. 2351: A bill for an act relating to education; requiring school districts to engage in planning, evaluation and reporting; establishing an office of planning assistance for public elementary and secondary school districts; appropriating money.

Referred to the Committee on Education.

Messrs. Keefe, J.; Keefe, S. and Hansen, Mel introduced—

S. F. No. 2352: A bill for an act relating to adoption; authorizing release of birth information to adopted persons; requiring waiting period for objections from parents; amending Minnesota Statutes 1974, Sections 144.151, by adding a subdivision; 144.176, Subdivision 1, and by adding subdivisions.

Referred to the Committee on Judiciary.

Mr. Davies, Mrs. Brataas and Mr. Keefe, S. introduced—

S. F. No. 2353: A bill for an act relating to crimes; criminal sexual conduct; amending Minnesota Statutes 1974, Sections 246.-43, Subdivision 1; 609.195; 609.293, Subdivision 5; Minnesota Statutes, 1975 Supplement, Sections 609.11, Subdivision 1; 609.-341, Subdivision 10; 609.345; repealing Minnesota Statutes 1974, Section 609.293, Subdivisions 2, 3, and 4.

Referred to the Committee on Judiciary.

Mr. Bang introduced—

S. F. No. 2354: A bill for an act relating to taxation; permitting certain executors to claim senior citizens' income tax credit due decedents; amending Minnesota Statutes 1974, Section 290.0602.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Gearty, Ashbach and Coleman introduced—

S. F. No. 2355: A bill for an act relating to state employees; limiting severance allowances for certain employees; amending Minnesota Statutes, 1975 Supplement, Section 43.224.

Referred to the Committee on Governmental Operations.

Mr. Humphrey introduced—

S. F. No. 2356: A bill for an act relating to public welfare; requiring community mental health boards to include services for the physically handicapped; amending Minnesota Statutes 1974, Sections 245.61; and 245.68; and Minnesota Statutes, 1975 Supplement, Section 245.66.

Referred to the Committee on Health, Welfare and Corrections.

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

S. F. No. 2357: A bill for an act relating to Minnesota Statutes; restoring certain erroneously omitted language; amending Laws 1975, Chapter 347, Section 3.

Referred to the Committee on Judiciary.

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

S. F. No. 2358: A bill for an act relating to Minnesota Statutes; providing for the correction of erroneous, ambiguous, omitted and obsolete references and text; reenacting certain laws inadvertently repealed; eliminating certain duplicitious and conflicting provisions superseded by or conflicting with other provisions of law; amending Minnesota Statutes 1974, Chapter 359, by adding a section; Sections 9.031, Subdivision 3; 15.50, Subdivision 2; 16.02, Subdivision 14; 16.13; 16.872, Subdivision 2; 16A.125, Subdivision 6; 30.464, Subdivision 1; 30.467; 30.469; 38.02, Subdivision 2; 43.07, Subdivision 1; 72A.25, Subdivision 3; 86.41; 110.53; 116F.08; 121.85; 121.86; 121.88; 123.32, Subdivision 7; 144.01; 144.63, Subdivision 2; 144.952, Subdivision 1; 151.02; 155.04; 156.11; 176.471, Subdivision 3; 205.10, as amended; 216.25; 239.46; 246.02, Subdivision 4; 248.07, Subdivision 4; 253A.02, Subdivision 18; 256.863; 256.935, Subdivision 1; 256D.21; 268.10, Subdivision 8; 270.10, Subdivision 1; 271.10, Subdivision 2; 275.127; 291.33, Subdivision 1; 298.281, Subdivision 5; 306.38, Subdivision 2; 309.52, Subdivision 1a; 319A.11, Subdivision 2; 341.05, Subdivision 2; 341.06; 341.07; 341.08; 341.09, Subdivisions 2 and 3; 341.12; 341.13; 341.15; 345.38, Subdivision 1; 355.80; 363.10; 366.10; 368.01, Subdivision 25; 375A.09, Subdivision 4; 414.07, Subdivision 2; 414.08; 430.031, Subdivision 4; 462A.04, Subdivision 1; 472.03, Subdivision 2; 481.15, Subdivision 2; 487.03, Subdivision 2; 490.12, Subdivision 5; 490.16, Subdivision 6; 532.38; 546.09; 546.10; 562.04; 617.41; Minnesota Statutes, 1975 Supplement, Sections 15.162, Subdivision 1; 15.163, Subdivision 2; 15.166, Subdivisions 1 and 2; 15.167; 43.12, Subdivision 23; 43.43, Subdivision 2; 82.18; 116A.01, Subdivision 1a; 116A.20, Subdivision 1; 116A.24, Subdivision 1; 121.87, Subdivision 1; 123.36, Subdivision 10; 124.03, Subdivision 1; 124.212, Subdivision 8a; 127.25, Subdivision 3; 136A.233, Subdivision 1; 144.53; 147.01; 148.03; 148.181, Subdivision 1; 148.52; 148.67; 150A.02, Subdivision 1; 153.02; 154.22; 156.01, Subdivision 1; 210A.09; 273.138, Subdivision 3; 298.281, Subdivision 1; 325.942, Subdivision 1; 326.04; 326.17; 326.241, Subdivision 1; 326.541; 341.01; 341.04; 341.05, Subdivision 1; 341.10; 341.11; 354A.12; 386.63, Subdivision 1; 473.204, Subdivision 2; 473.823, Subdivision 4; 488A.01, Subdivision 5; 500.24, Subdivision 2; 501.81, Subdivision 3; Laws 1975, Chapter 271, Section 3; reenacting Laws 1969, Chapters 1123, as amended; 1126, Section 2, as amended; and 1137, as amended; repealing Minnesota Statutes 1974, Sections 15A.081, Subdivision 1a; 123.31, as amended; 239.45; and 366.182; Laws 1975, Chapters 46, Section 11; 162, Section 28; and 342, Section 1; Laws 1976, Chapter 2, Section 152.

Referred to the Committee on Judiciary.

Messrs. Hughes and Sillers introduced—

S. F. No. 2359: A bill for an act relating to taxation; changing definition of special levies for provisions limiting levies of governmental subdivisions; amending Minnesota Statutes 1974, Section 275.50, Subdivision 5, as amended.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S. F. No. 2360: A bill for an act relating to public health; allowing a parent or guardian to refuse certain immunizations for a child or ward on conscientious grounds; amending Minnesota Statutes 1974, Section 123.70, Subdivisions 1 and 2.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Anderson introduced—

S. F. No. 2361: A bill for an act relating to counties; creating enforcement procedures for violations of county plans; amending Minnesota Statutes 1974, Section 394.37, Subdivision 3.

Referred to the Committee on Local Government.

Messrs. Anderson, Dunn and Chmielewski introduced—

S. F. No. 2362: A bill for an act relating to counties; changing lands subject to county control; amending Minnesota Statutes 1974, Section 394.24, Subdivision 3.

Referred to the Committee on Natural Resources and Agriculture.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1551.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 26, 1976

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. 830: A bill for an act relating to health care; requiring certain insurance policies and health care plans to provide

benefits for health care services rendered in free standing ambulatory surgical centers.

Senate File No. 830 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 26, 1976

Mr. Kleinbaum moved that S. F. No. 830 be laid on the table. 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. 375: A bill for an act relating to city and town government; excluding statutory cities from the application of certain city laws; modifying the application of other laws to conform to the present classification of cities; amending various statutes to reflect the conversion of villages and boroughs to statutory cities; repealing various obsolete provisions of municipal laws; amending Minnesota Statutes 1974, Sections 144.154; 145.01; 205.07, Subdivision 1; 205.10; 205.11; 205.13; 205.14, Subdivision 3; 205.15; 205.16; 205.17, Subdivisions 1 and 3; 205.20, Subdivisions 1 and 4; 329.09; 366.10; 410.05, Subdivision 1; 412.02, Subdivision 5; 412.022, Subdivision 1; 412.023, Subdivision 5; 412.131; 412.171; 412.191, Subdivision 1; 412.311; 412.571, Subdivisions 1, 4 and 5; 413.02, Subdivisions 1 and 2; 415.11, Subdivision 1; 427.09; 427.10; 427.11; 427.12; 429.111; 437.02; 440.11; 440.135, Subdivision 1; 446.04, Subdivision 1; 447.05; 451.06; 451.09; 452.01, Subdivision 1; 455.01; 455.05; 455.13; 455.23; 455.26; 455.27; 455.28; 455.29; 455.30; 455.32; 456.32; 457.13; 458.09, Subdivision 1; 458.20; 458.25; 458.46; 463.04; 465.26; 465.70; 465.71; 471.38, Subdivision 1; Chapters 205, by adding a section; 410, by adding a section; and repealing Minnesota Statutes 1974, Sections 118.05; 145.02; 197.64; 205.05; 205.06; 205.07, Subdivision 2; 205.08; 205.09; 205.091; 205.12; 274.013; 275.24; 275.36; 368.12; 368.50 to 368.84; 412.017; 412.022, Subdivisions 2 and 3; 412.191, Subdivision 5; 412.841; 415.031 to 415.07; 416.03; 416.04; 416.08 to 416.15; 418.13 to 418.15; 423.21; 426.09; 426.10; 426.15 to 426.18; 435.05; 435.41; 435.46; 436.02; 436.04; 437.01; 438.03; 438.04; 438.07; 440.12; 440.16 to 440.32; 440.39; 441.10 to 441.20; 441.265 to 441.46; 443.14 to 443.17; 443.20 to 443.25; 444.15; 446.03; 447.08; 447.09; 447.23; 448.04 to 448.16; 448.26 to 448.49; 449.04; 449.05; 449.07; 450.06 to 450.08; 452.01, Subdivision 2; 452.02 to 452.07; 452.18 to 452.20; 453.01 to 453.14; 454.01 to 454.045; 455.02 to 455.04; 455.06 to 455.11; 455.15 to 455.22; 456.01 to 456.15; 456.23; 457.02; 457.12; 458.26 to 458.31; 458.47 to 458.49; 459.08 to 459.13; 461.01; 461.07 to 461.11; 463.05; 465.06 to 465.08; 465.51; 465.52; 465.57; 465.59 to 465.63; 471.01 to 471.04; 471.05 to 471.14; 471.48; 645.44, Subdivision 3a; Chapter 460, as it appears

in Minnesota Statutes 1945; Laws 1895, Chapter 239; Laws 1897, Chapter 85; Laws 1901, Chapter 379; Laws 1907, Chapter 22; Laws 1911, Chapter 53; Laws 1913, Chapters 7 and 47; Laws 1915, Chapters 125 and 230, Sections 2 and 3; Laws 1917, Chapter 190; Laws 1919, Chapter 424; Laws 1921, Chapter 30; Extra Session Laws 1935, Chapter 8; Laws 1937, Chapter 198; Laws 1941, Chapter 266, as amended; Laws 1947, Chapter 470 and Laws 1953, Chapter 697.

Senate File No. 375 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned February 26, 1976

Mr. Willet moved that S. F. No. 375 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1949 and 2034.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned February 27, 1976

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted:

H. F. Nos. 790, 1999, 2039, 1892, 1996, 2077 and 2331.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted February 26, 1976

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1057:

H. F. No. 1057: A bill for an act relating to education; school districts; Independent School District No. 518; powers and duties; requiring a public hearing and providing for an election before closing a schoolhouse; amending Minnesota Statutes 1974, Section 123.36, by adding a subdivision.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Menning; Johnson, C. and Esau, have been appointed as such committee on the part of the House.

House File No. 1057 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 February 26, 1976

Mr. Anderson moved that H. F. No. 1057 be laid on the table. The motion prevailed.

FIRST READING OF HOUSE BILLS

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

H. F. No. 790: A bill for an act relating to public welfare; providing visitation rights to unmarried minor children for grandparents in certain cases.

Referred to the Committee on Judiciary.

H. F. No. 1999: A bill for an act relating to game and fish; providing temporary permits for handicapped hunters; amending Minnesota Statutes, 1975 Supplement, Section 98.48, Subdivision 12.

Referred to the Committee on Rules and Administration.

H. F. No. 2039: A bill for an act relating to health care; clarifying and expanding the patients' bill of rights; requiring certain notices; providing penalties; amending Minnesota Statutes 1974, Sections 144.651 and 144.652.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 1892: A bill for an act relating to civil defense; requiring the executive council to declare an emergency when a disaster has occurred or is imminent; requiring the division of emergency service to assist in the provision of relief measures when a disaster occurs and to coordinate interjurisdictional disaster planning; amending Minnesota Statutes 1974, Sections 12.01; 12.02, Subdivision 1; 12.03; and Chapters 9, by adding a section; and 12, by adding sections.

Referred to the Committee on Governmental Operations.

H. F. No. 1996: A bill for an act relating to education; requiring school boards to take control of all co-curricular school activities; changing the method of accounting for co-curricular and extra curricular activities; describing co-curricular and extra curricular activities; amending Minnesota Statutes 1974, Section 123.38, Subdivisions 1, 2 and 3, and by adding subdivisions.

Referred to the Committee on Rules and Administration.

H. F. No. 2077: A bill for an act relating to drivers' licenses; classifications thereof; specifying the types of vehicles that may be driven by the holder of the various classes of licenses; providing that a class C license is valid for the operation of special mobile equipment used primarily for the construction or maintenance of streets and highways; providing a change in the weight limitation for class C licenses; amending Minnesota Statutes 1974, Section 171.02, Subdivision 2.

Referred to the Committee on Transportation and General Legislation.

H. F. No. 2331: A bill for an act relating to education; authorizing Independent School District No. 625 to issue bonds for the purpose of correcting cash flow problems and for other purposes; requiring a tax levy in certain years to eliminate the operating debt of the district; appropriating money.

Mr. Coleman moved that H. F. No. 2331 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2219: A bill for an act relating to education; authorizing Independent School District No. 625 to issue bonds for the purpose of correcting cash flow problems and for other purposes; requiring a tax levy in certain years to eliminate the operating debt of the district.

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

Strike everything after the enacting clause and insert:

"Section 1. [BOND AUTHORIZATION.] Subdivision 1. Independent School District No. 625 is hereby authorized to issue not to exceed \$6,400,000 of general obligation bonds for the purpose of establishing a special reserve account for the district to permit the district to segregate adequate tax receipts and aid receipts for the repayment of tax and aid anticipation certificates respectively. These obligations shall be issued and sold in accordance with the further provisions of Minnesota Statutes, Chapter 475 except that no election shall be required to authorize their issuance and that the total principal and interest requirements of said issue in any year shall not exceed 1.5 mills times the adjusted assessed valuation of the taxable property of the district for calendar year 1975 as determined by the equalization aid review committee. The full faith and credit of the district shall be pledged for the payment of the principal of and interest on the bonds and the district is hereby authorized and required

to levy taxes upon all taxable property in the district without limitation as to rate or amount for the payment of the principal of and interest on said bonds.

Subd. 2. The debt service levy to be made by the district in 1976, collectible in 1977, shall be reduced by up to \$1,500,000, provided that at the time its levy is certified in 1976 there exists in its sinking funds for its outstanding general obligation bonds a surplus equal to the amount of such reduction. To the extent that this debt service levy is reduced, the district may levy additional taxes in an amount equal to such reduction and the amount of the additional levy shall, when received, be deposited in the sinking fund for the obligations authorized in subdivision 1. The levy made at the time of the sale and issuance of the bonds authorized in subdivision 1 shall not be reduced by reason of the availability of the proceeds of such additional levy in the sinking fund for said bonds, until such time as there is on hand in said sinking fund an amount sufficient to pay all then outstanding bonds of said issue and the interest thereon.

Sec. 2. [ACCOUNTING SYSTEM MONITORED BY LEGISLATIVE AUDITOR.] Subdivision 1. The legislative auditor shall perform an audit of the finances of Independent School District No. 625 for fiscal year 1976 in accordance with the principles of the uniform financial accounting and reporting system which has been developed in accordance with the requirement of Laws 1973, Chapter 683, Section 22. The legislative auditor and his employees may personally conduct this audit and examination or may, at his discretion, contract with certified accountants or public accounting firms to provide this service.

The legislative auditor shall also restate, in accordance with the uniform financial accounting and reporting system, the audit of the district which was performed for fiscal year 1975.

The legislative auditor shall report the results of the audit and the restatement to the appropriate committees of the legislature by October 15, 1976.

Subd. 2. On or before July 1, 1976, the school district shall adopt a system of accounting, budgeting, and reporting in accordance with the principles of the uniform financial accounting and reporting system. The legislative auditor shall monitor and assist in the implementation of this system by the school district. The legislative auditor shall report to the legislative audit commission and other appropriate committees of the legislature at the times he deems necessary, but not less than twice each year. He shall make his initial report on or before January 15, 1977.

Subd. 3. Independent School District No. 625 shall provide cooperation and assistance as necessary to the legislative auditor to allow him to perform his duties pursuant to this section.

Sec. 3. [STATUTORY OPERATING DEBT.] Subdivision 1. The "statutory operating debt" of Independent School District No. 625 means the net negative fund balances in all school district

funds, other than the capital expenditure and building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30, 1976 in accordance with the principles of the uniform financial accounting and reporting system.

Subd. 2. The legislative auditor shall certify the amount of statutory operating debt of the district as of June 30, 1976. He may adjust this amount on the basis of corrected figures until June 30, 1978.

Sec. 4. [EXCESS LEVY.] In addition to all other levies permitted by law, in 1976 and each year thereafter, Independent School District No. 625 shall make an additional levy to eliminate its statutory operating debt for the school year ending June 30, 1976 as certified by the legislative auditor pursuant to section 3. Each year the commissioner of education shall certify to the county auditor and Independent School District No. 625 the correct amount of this levy. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee, less any amount necessary for the payment of principal and interest on bonds sold pursuant to section 1. When the cumulative receipts from the levies made pursuant to this section and the earnings in the reserve account established under section 5 equal an amount equal to the statutory operating debt, the levy shall be discontinued.

Sec. 5. [RESERVE FUND FOR REDUCING STATUTORY OPERATING DEBT.] Subdivision 1. The district shall establish a special reserve account, which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records into which the proceeds of the bonds authorized in section 1 and the levies made under section 4 shall be placed. The funds in this account shall be used only for the payment of district operating expenses, but the amount in this account shall never supplement district revenues or income for the purposes of increasing the district's capital or operational expenditures or budgets, or for any purpose, other than to meet temporary cash needs. Earnings on sums in this account may be used for paying interest expenses on tax and aid anticipation certificates and for the purposes for which funds in this account may be used. The funds in this account may be invested and reinvested in accordance with the further provisions of Minnesota Statutes, Section 475.66, as amended.

Subd. 2. When the funds in the special reserve account equal the total amount of the statutory operating debt as certified pursuant to section 3, but in no event later than December 31, 1997, the full amount in the special reserve account shall be used to eliminate the statutory operating debt of the district. Upon elimination of the statutory operating debt, the district shall recognize all tax receipts in the year required by the uniform financial accounting and reporting system.

Sec. 6. [AUTHORIZATION FOR AID ANTICIPATION BORROWING.] The provisions of Minnesota Statutes, Section 124.781 shall not apply to or limit in any way the aid anticipation borrowing of the district, and the district shall be permitted to borrow in anticipation of aids to the full extent permitted by the provisions of Minnesota Statutes, Sections 124.71 to 124.78.

Sec. 7. [GENERAL FUND EXPENDITURE LIMITATION.] In the 1977 fiscal year or in any fiscal year thereafter, Independent School District No. 625 shall not spend any amount in that fiscal year which the district receives from the foundation aid in Minnesota Statutes, Section 124.212, plus the levy allowable under Minnesota Statutes, Section 275.125, Subdivision 2a, plus the levy allowable under Minnesota Statutes, Section 275.125, Subdivision 6, which exceeds the amount which the district would otherwise be entitled to receive from these same sources if it were not using tax anticipation certificates or other methods of borrowing to borrow against tax revenues for the next fiscal year or if it were not using tax receipts intended for the next fiscal year in the prior fiscal year.

Sec. 8. [LIMITATION AND REDUCTION OF TAX ANTICIPATION BORROWING.] Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Section 124.781, Subdivision 2, in the fiscal year 1977, Independent School District No. 625 shall not issue tax anticipation certificates pursuant to Minnesota Statutes, Sections 124.71 to 124.78 in an amount to exceed \$23,250,000. In fiscal year 1978 or any year thereafter, the district shall not issue tax anticipation certificates in an amount to exceed \$23,250,000, less the amount by which the balance in the reserve account for purposes of reducing statutory operating debt exceeds \$6,400,000 as of December 31 of the previous year.

Subd. 2. The legislative audit commission may, upon application of the district, authorize a waiver of the limitation contained in subdivision 1, in the event of an emergency. If the legislative audit commission authorizes such a waiver, it shall report this fact prior to the effective date of the waiver to the appropriate committees of the legislature.

Sec. 9. [PROHIBITION OF CERTAIN FUND TRANSFERS.] Independent School District No. 625 shall not for any purpose borrow or temporarily transfer funds from its building construction account, its debt service account, or from any sinking fund for outstanding bonds issued for building construction or any other purpose.

Sec. 10. Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Section 125.17, Subdivision 1, Clause (a), the definition of "teacher" as used in the application of Minnesota Statutes, Section 125.17 to individuals employed by Independent School District No. 625 shall not include any person regularly employed to superintend or supervise classroom instruction, or person who comes within the definitions of Minnesota Statutes, Section 179.63, Subdivision 9. However, the definition of

“teacher” in Minnesota Statutes, Section 125.17, shall include any person who comes within the definition in Minnesota Statutes, Section 179.63, Subdivision 14.

Subd. 2. As of June 30, 1976, any individual excluded from the provisions of Minnesota Statutes, Section 125.17 by the operation of subdivision 1 of this section shall forfeit tenure rights in the district previously granted pursuant to Minnesota Statutes, Section 125.17; provided, any such excluded individual shall retain any tenure rights held as a teacher in the district at the time he assumed a position within the exclusionary definition of subdivision 1 and shall retain his date of first employment as a teacher for purposes of section 125.17, subdivision 11. Thereafter, such individuals shall have annual contracts with the district which the school board may or may not renew as it sees fit; provided, however, that the school board shall give any such individual whose contract it declines to renew for the following school year written notice to that effect. Moreover, the school board may discharge or demote any such individual during the term of an annual contract for any cause specified in Minnesota Statutes, Section 125.17, Subdivision 4. A written statement of the cause of the discharge or demotion shall be given to the individual by the school board at least 30 days before the removal or demotion shall become effective.

Subd. 3. In terminating personnel because of financial limitations or any other reason, the school board of Independent School District No. 625 shall give first priority to the terminations of central office personnel, administrative and supervisory personnel, and other personnel whose duties do not include day to day instructional contact with the students of the district. No cuts in programs shall be made by the district without the express approval of the board.

Sec. 11. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the legislative auditor the sum of \$100,000. Notwithstanding the provisions of Minnesota Statutes, Section 16A.28, or any other provision relating to the lapse of appropriations, the appropriation made pursuant to this section shall not lapse but shall continue until expended.

Sec. 12. Nothing in this act shall be construed to limit the existing powers of the legislative auditor.

Sec. 13. The provisions of this act shall be severable, and if any provision thereof, or the application of any such provision under any circumstances is held invalid, it shall not affect any other provision of this act or the application of any provision thereof under different circumstances.

Sec. 14. [EFFECTIVE DATE.] This act is effective the day following its final enactment.”

Further, amend the title as follows:

Page 1, line 7, after “district” insert “; removing certain persons from the application of Minnesota Statutes, Section 125.17 and removing their tenure rights granted thereunder; appropriating money”

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. O'Neill to further amend S. F. 2219 as follows:

Strike section 10

Strike section 12

Renumber the sections accordingly

Page 8, line 28, strike "removing"

Page 8, strikes lines 29 and 30

Page 8, line 31, strike "thereunder;"

There were yeas 7 and nays 9 as follows:

Those who voted in the affirmative were:

Brataas, Humphrey, Moe, O'Neill, Patton, Stassen and Ueland

Those who voted in the negative were:

Anderson; Dunn; Kleinbaum; Lewis; Olson, H. D.; Sillers; Solon; Stumpf and Wegener

The amendment was not adopted.

The bill passed the Committee.

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

S. F. No. 1050: A bill for an act relating to attorneys; repealing the statutory lien for attorney's fees; repealing Minnesota Statutes 1974, Section 481.13.

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

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1974, Section 481.11, is amended to read:

481.11 [CHANGE OF ATTORNEY.] The attorney in an action or proceeding may be changed at any time upon his consent, or, by order of the court, upon the application of the client for cause; but no change can be made on application of the client unless the charges of the attorney be paid. When such change is made, written notice of the substitution of a new attorney shall be given to adverse parties; until such notice, they shall recognize the former attorney.

Sec. 2. Minnesota Statutes 1974, Section 481.13, is amended to read:

481.13 [LIEN FOR ATTORNEY FEES.] An attorney has a lien for his compensation whether the agreement therefor be expressed or implied:

(1) Upon the papers of his client coming into his possession in the course of his employment;

(2) Upon money in his hands belonging to his client;

(3) (1) Upon the cause of action from the time of the service of the summons therein, or the commencement of the proceeding, and upon the interest of his client in any money or property involved in or affected by any action or proceeding in which he may have been employed, from the commencement of the action or proceeding, and, as against third parties, from the time of filing the notice of such lien claim, as provided in this section;

(4) Upon money or property in the hands of the adverse party to the action or proceeding in which the attorney was employed, from the time such party is given notice of the lien. If the client has an interest in any real or personal property, whether held by any bailee, pledgee, judgment creditor or otherwise, the attorney shall be entitled to a lien upon such property wherever situated, for the value of his services, whether under a special agreement as to compensation or for the reasonable value thereof, and shall also have a lien for any contributions in money or services which the attorney makes for the preservation of the client's interest in the property or for the enhancement of the value thereof. If the client is not a resident of this state, jurisdiction may be had by service of notice of order to show cause without the state or by mailing a copy thereof to the client outside of the state, without the need of further jurisdictional requirements, provided the property itself is within the State of Minnesota;

(5) (2) Upon a judgment, and whether there be a special agreement as to compensation, or whether a lien is claimed for the reasonable value of the services, the lien shall extend to the amount thereof from the time of giving notice of his claim to the judgment debtor, but this lien is subordinate to the rights existing between the parties to the action or proceedings;

(6) (3) The liens provided by clauses (3) (1), (4), and (5) (2) may be established, and the amount thereof determined, by the court, summarily, in the action or proceeding, on the application of the lien claimant or of any person or party interested in the property subject to such lien, on such notice to all parties interested therein as the court may, by order to show cause, prescribe, or such liens may be enforced, and the amount thereof determined, by the court, in an action for equitable relief brought for that purpose.

Judgment shall be entered under the direction of the court, adjudging the amount due and the sale of the property subjected to the lien, or some part thereof, to satisfy said amount, and directing the sheriff to proceed to sell the same according to the provisions of law relating to the sale of real estate on execution, and to make report to the court.

A certified transcript of the judgment shall be delivered to the sheriff, and shall be his authority for making the sale.

If the property so sold is real estate, the same shall be subject

to redemption in the manner provided by law for redemption of real property sold on execution.

Such liens shall not affect the right or title of bona fide purchasers or encumbrancers of the property subject thereto, for value and without notice; but a duly verified notice of intention to claim such lien, specifying the property on which the lien is claimed, and the amount thereof, if under express agreement, or, if not, then the reasonable value of the services for which such lien is claimed, filed as herein provided, shall charge subsequent purchasers and encumbrancers of such property with notice of said lien from the time of such filing.

(4) If the lien is claimed on the client's interest in real estate involved in or affected by the action or proceeding, such notice of intention to claim a lien thereon shall be filed in the office of the register of deeds or registrar of titles, where appropriate, and therein noted on the Certificate or Certificates of Title affected, in and for the county within which the same is situated. If the lien is claimed on the client's interest in personal property involved in or affected by the action or proceeding, the notice shall be filed in the same manner as provided by law for the filing of a chattel mortgages security interest.

Sec. 3. Minnesota Statutes 1974, Section 481.14, is amended to read:

481.14 [REFUSAL TO SURRENDER PROPERTY TO CLIENTS.] When an attorney shall refuse to deliver money or papers to a person from or for whom he has received them in the course of his professional employment, he may be required to do so, upon petition, by an order of court. Such order may be granted by the court in which the action was prosecuted, or, if no action was prosecuted, by the district court of the county where he resides, or by the Supreme Court, and may require him to make delivery within a time specified, or show cause why he should not be punished for contempt. In the event an attorney shall retain money of a client under a claim of right, including a claim for fees and expenses, the court shall determine the amount, if any, due such attorney, and shall order that any surplus amount remaining after deduction thereof be surrendered to the client.

If the attorney claims a lien upon the property, the court may:

(1) As a condition of making the order, require the client to give security, in form and amount as directed, to satisfy the lien when determined in an action; or

(2) Summarily inquire into and determine the facts upon which the lien claim is founded; or

(3) Direct a trial of the controversy by a jury, or refer it, and determine the same upon the verdict or report as in other cases."

Amend the title as follows:

Page 1, line 2, after "attorneys;" strike "repealing the statutory" and insert "change of attorney and statutory lien for attorneys' fees;

amending Minnesota Statutes 1974, Sections 481.11; 481.13; and 481.14.”

Page 1, strike lines 3 and 4

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

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

S. F. No. 1051: A bill for an relating to commerce; consumer services; providing for investigation of accusations against attorneys.

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

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1974, Section 481.15, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO ATTORNEY GENERAL.] The administrative director of the state board of professional responsibility shall notify the attorney general of each complaint made to him directly or reported to him by a district ethics committee. The administrative director and each district ethics committee shall inform each complainant that if he is not satisfied with the disposition made by them, he may take his complaint to the attorney general. The attorney general may investigate accusations of dishonesty, fraud, or professional misconduct made against attorneys, and may petition the state board of professional responsibility for the disbarment, suspension, or reprimand of the attorney complained against whenever, in the opinion of the attorney general, the action is necessary to protect the public of this state. The attorney general may appeal the decision of the state board of professional responsibility to the supreme court. The accusation and all proceedings thereon shall remain private within the meaning of section 15.162, subdivision 5a, except as necessary to support a petition for disciplinary action.”

Amend the title as follows:

Line 2, strike “commerce; consumer services” and insert “attorneys”

Line 4, after “attorneys” insert “; amending Minnesota Statutes 1974, Section 481.15, by adding 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

S. F. No. 2087: A bill for an act relating to workers' compensation insurance; providing for the approval of rates and classifications by the commissioner of insurance after a hearing; providing for a hearing procedure; requiring the commissioner to employ an actuary; permitting the commissioner to assess a fee

to workers' compensation insurers; appropriating money; amending Minnesota Statutes 1974, Sections 60B.39, Subdivision 5; 79.01, Subdivision 1; 79.07; 79.09; 79.10; 79.11; 79.13; 79.17; 79.21; 79.24; 79.25; 79.26; 79.27; 79.29; 79.30; 79.31; 79.32; 176.185, Subdivision 1; and Chapter 79, by adding sections; Minnesota Statutes, 1975 Supplement, Section 79.28.

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

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1974, Section 79.01, is amended by adding a subdivision to read:

Subd. 6. "Rate" means the rate applicable to a classification of employers.

Sec. 3. Minnesota Statutes 1974, Section 79.01, is amended by adding a subdivision to read:

Subd. 7. "Individual rate" means the rate as modified to be applicable to an individual employer."

Page 2, line 16, strike "4" insert "6"

Page 2, line 19, strike "4" and insert "6"

Page 2, line 21, strike "4" and insert "6"

Page 2, line 25, strike "4" and insert "6"

Page 3, line 7, strike "4" and insert "6"

Page 3, line 18, strike "a" and insert "an individual"

Page 3, line 20, strike "4" and insert "6"

Page 4, line 22, strike "4" and insert "6"

Page 9, line 31, strike "4" and insert "6"

Page 11, line 15, strike "4" and insert "6"

Pages 12 to 15, strike sections 16 to 21

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, strike "60B.39, Subdivision 5;"

Page 1, line 11, after "Subdivision 1" insert ", and by adding subdivisions"

Page 1, line 12, strike "79.29;"

Page 1, line 13, strike "79.30; 79.31; 79.32;"

Page 1, line 14, after "sections" strike the semicolon, insert a period and strike the remainder of the title

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

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

H. F. No. 1996 for proper reference, recommends that it be referred to the Committee on Education.

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

SECOND READING OF SENATE BILLS

S. F. Nos. 2219, 1050 and 1051 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Perpich, G. moved that S. F. No. 869 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Perpich, G. moved that the Senate concur in the amendments by the House to S. F. No. 869 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 869: A bill for an act relating to St. Louis county; providing for the disposition of the proceeds from the sale or rental of tax forfeited lands or from the sale of any products therefrom.

Was read the third time, as amended by the House, and placed on its repassage.

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

And the roll being called, there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Nelson	Schaaf
Ashbach	Dunn	Kleinbaum	Ogdahl	Schmitz
Berg	Fitzsimons	Knutson	Olson, A. G.	Schrom
Bernhagen	Gearty	Kowalczyk	Olson, J. L.	Sillers
Brataas	Hansen, Baldy	Larson	O'Neill	Solon
Brown	Hansen, Mel	Laufenburger	Patton	Spear
Chenoweth	Hanson, R.	Lewis	Perpich, G.	Stokowski
Coleman	Hughes	McCutcheon	Pillsbury	Stumpf
Conzemius	Humphrey	Merriam	Purfeerst	Tennessee
Davies	Keefe, J.	Moe	Renneke	Ueland

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. O'Neill moved that S. F. No. 570 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

ADOPTION OF CONFERENCE COMMITTEE REPORT

Mr. O'Neill moved that the recommendations and Conference Committee Report as printed in the Journal February 26, 1976 on S. F. No. 570 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 570: A bill for an act relating to taxation; increasing the income tax deduction for dependents' school expenses; amending Minnesota Statutes 1974, Section 290.09, Subdivision 22.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

And the roll being called, there were yeas 51 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olson, A. G.	Sillers
Ashbach	Fitzsimons	Knutson	Olson, H. D.	Solon
Berg	Gearty	Kowalczyk	Olson, J. L.	Stokowski
Bernhagen	Hansen, Baldy	Larson	O'Neill	Stumpf
Brataas	Hansen, Mel	Laufenburger	Patton	Ueland
Brown	Hanson, R.	McCutcheon	Perpich, G.	Wegener
Chenoweth	Hughes	Merriam	Pillsbury	Willet
Chmielewski	Humphrey	Milton	Purfeerst	
Coleman	Josefson	Moe	Renneke	
Conzemius	Keefe, J.	Nelson	Schmitz	
Doty	Kirchner	Ogdahl	Schrom	

Those who voted in the negative were:

Davies	Lewis	Schaaf	Spear	Tennessee
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Conzemius introduced—

Senate Resolution No. 31: A Senate resolution authorizing transfer of money to the account of the Joint House-Senate Committee on the Minnesota State Prison to pay expenses incurred in the completion of the committee's investigation.

BE IT RESOLVED, by the Senate:

That the Secretary of the Senate is authorized to transfer the sum of \$5,000 from the Legislative Expense Account to the account of the Joint House-Senate Committee on the Minnesota State Prison to pay costs incurred covering printing, salaries and other expenses necessary to the completion of the committee's investigation.

Mr. Conzemius moved the adoption of the foregoing resolution.

The question being taken on the adoption of the resolution,

And the roll being called, there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Olson, A. G.	Schrom
Asbbach	Dunn	Kleinbaum	Olson, H. D.	Sillers
Berg	Fitzsimons	Knutson	Olson, J. L.	Solon
Bernhagen	Gearty	Kowalczyk	O'Neill	Spear
Brataas	Hansen, Baldy	Larson	Patton	Stokowski
Brown	Hansen, Mel	Laufenburger	Perpich, G.	Stumpf
Chenoweth	Hanson, R.	Lewis	Pillsbury	Ueland
Chmielewski	Hughes	McCutcheon	Purfeerst	Wexener
Coleman	Humphrey	Milton	Renneke	Willet
Conzemius	Keefe, J.	Moe	Schaaf	
Davies	Keefe, S.	Nelson	Schmitz	

Mr. Josefson voted in the negative.

The motion prevailed. So the resolution was adopted.

Mr. Keefe, S. moved that the name of Mr. Chenoweth be added as chief author to S. F. No. 1729. The motion prevailed.

Mr. Perpich, A. J. moved that the name of Mr. Spear be added as co-author to S. F. No. 2336. The motion prevailed.

Mr. Patton introduced—

Senate Resolution No. 32: A Senate Resolution Congratulating Mrs. Harry (Lillie) Ziegler on her selection as Bicentennial Mother of the year.

Referred to the Committee on Rules and Administration.

Mr. Laufenburger moved that the name of Mr. Tennessen be added as co-author to S. F. No. 2291. The motion prevailed.

Mr. Laufenburger moved that the report from the Committee on Transportation and General Legislation, reported February 26, 1976, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Laufenburger moved that the foregoing report be now adopted. The motion prevailed.

CONFIRMATION

Mr. Laufenburger moved that in accordance with the report from the Committee on Transportation and General Legislation, reported February 26, 1976, the Senate, having advised with, do now consent to and confirm the appointments of:

STATE ARTS BOARD

Louis N. Zelle, 1 Teal Island Road, North Oaks, Ramsey County, appointed effective February 6, 1976, for a term expiring January 3, 1977.

James Glazman, 1811 Vermillion Road, Duluth, St. Louis County, appointed effective February 6, 1976, for a term expiring January 3, 1977.

Phillip Von Blon, 2121 Dwight Lane, Minnetonka, Hennepin County, appointed effective February 6, 1976, for a term expiring January 3, 1977.

Kenneth Dayton, 392 Ferndale Road, Wayzata, Hennepin County, appointed effective February 6, 1976, for a term expiring January 2, 1978.

Mrs. Alvina O'Brien, 480 Grand Hill, St. Paul, Ramsey County, appointed effective February 6, 1976, for a term expiring January 2, 1978.

Dr. Walter S. Prausnitz, 2614 - 11th Street, Moorhead, Clay County, appointed effective February 6, 1976, for a term expiring January 1, 1979.

Miss Laura Jane Musser, 608 Highland, Little Falls, Morrison County, appointed effective February 6, 1976, for a term expiring January 1, 1979.

Mrs. Arlene Helgeson, Route 2, North River Road, St. Cloud, Stearns County, appointed effective February 6, 1976, for a term expiring January 1, 1979.

Mrs. Sandra Hale, 1833 Girard Avenue South, Minneapolis, Hennepin County, appointed effective February 6, 1976, for a term expiring January 7, 1980.

Mrs. Anne Marie Plunkett, Windamere, Rochester, Olmsted County, appointed effective February 6, 1976, for a term expiring January 7, 1980.

Dr. Alvin Zelickson, 101 Ardmore Drive, Minneapolis, Hennepin County, appointed effective February 6, 1976, for a term expiring January 7, 1980.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Knutson, for Mr. Stassen, moved that S. F. No. 2061 be withdrawn from the Committee on Transportation and General Legislation and re-referred to the Committee on Education. The motion prevailed.

Mr. Coleman moved that H. F. No. 2331 be taken from the table. The motion prevailed.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate for the proceedings on H. F. No. 2331. The following Senators answered to their names:

Anderson	Coleman	Hansen, Mel	Kleinbaum	Milton
Ashbach	Conzemius	Hanson, R.	Knutson	Moe
Berg	Davies	Hughes	Kowalczyk	Nelson
Bernhagen	Doty	Humphrey	Larson	Olson, A. G.
Brataas	Dunn	Josefson	Laufenburger	Olson, H. D.
Brown	Fitzsimons	Keefe, J.	Lewis	Olson, J. L.
Chenoweth	Gearty	Keefe, S.	McCutcheon	O'Neill
Chmielewski	Hansen, Baldy	Kirchner	Merriam	Patton

Perpich, G.	Schaaf	Sillers	Stokowski	Ueland
Pillsbury	Schmitz	Solon	Stumpf	Wegener
Purfeerst	Schrom	Spear	Tennessee	Willet
Renneke				

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

SUSPENSION OF RULES

Mr. Coleman moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 2331 and that the rules of the Senate be so far suspended as to give H. F. No. 2331 its second reading.

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

The question recurred on Mr. Coleman's motion.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 51 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Larson	Olson, J. L.	Spear
Ashbach	Hansen, Baldy	Laufenburger	O'Neill	Stokowski
Bernhagen	Hansen, Mel	Lewis	Patton	Stumpf
Brataas	Hanson, R.	McCutcheon	Perpich, G.	Tennessee
Brown	Hughes	Merriam	Pillsbury	Ueland
Chenoweth	Humphrey	Milton	Purfeerst	Wegener
Coleman	Keefe, J.	Moe	Schaaf	Willet
Davies	Keefe, S.	Nelson	Schmitz	
Doty	Kirchner	Ogdahl	Schrom	
Dunn	Kleinbaum	Olson, A. G.	Sillers	
Fitzsimons	Knutson	Olson, H. D.	Solon	

Mr. Chmielewski voted in the negative.

The motion prevailed. So the rules were suspended.

H. F. No. 2331 was read the second time.

Mr. Coleman moved to amend H. F. No. 2331 as follows:

Strike everything after the enacting clause and insert:

"Section 1. [BOND AUTHORIZATION.] Subdivision 1. Independent School District No. 625 is hereby authorized to issue not to exceed \$6,400,000 of general obligation bonds for the purpose of establishing a special reserve account for the district to permit the district to segregate adequate tax receipts and aid receipts for the repayment of tax and aid anticipation certificates respectively. These obligations shall be issued and sold in accordance with the further provisions of Minnesota Statutes, Chapter 475 except that no election shall be required to authorize their issuance and that the total principal and interest requirements of said issue in any year shall not exceed 1.5 mills times

the adjusted assessed valuation of the taxable property of the district for calendar year 1975 as determined by the equalization aid review committee. The full faith and credit of the district shall be pledged for the payment of the principal of and interest on the bonds and the district is hereby authorized and required to levy taxes upon all taxable property in the district without limitation as to rate or amount for the payment of the principal of and interest on said bonds.

Subd. 2. The debt service levy to be made by the district in 1976, collectible in 1977, shall be reduced by up to \$1,500,000, provided that at the time its levy is certified in 1976 there exists in its sinking funds for its outstanding general obligation bonds a surplus equal to the amount of such reduction. To the extent that this debt service levy is reduced, the district may levy additional taxes in an amount equal to such reduction and the amount of the additional levy shall, when received, be deposited in the sinking fund for the obligations authorized in subdivision 1. The levy made at the time of the sale and issuance of the bonds authorized in subdivision 1 shall not be reduced by reason of the availability of the proceeds of such additional levy in the sinking fund for said bonds, until such time as there is on hand in said sinking fund an amount sufficient to pay all then outstanding bonds of said issue and the interest thereon.

Sec. 2. [ACCOUNTING SYSTEM MONITORED BY LEGISLATIVE AUDITOR.] Subdivision 1. The legislative auditor shall perform an audit of the finances of Independent School District No. 625 for fiscal year 1976 in accordance with the principles of the uniform financial accounting and reporting system which has been developed in accordance with the requirement of Laws 1973, Chapter 683, Section 22. The legislative auditor and his employees may personally conduct this audit and examination or may, at his discretion, contract with certified public accountants or public accounting firms to provide this service.

The legislative auditor shall also restate, in accordance with the uniform financial accounting and reporting system, the audit of the district which was performed for fiscal year 1975.

The legislative auditor shall report the results of the audit and the restatement to the appropriate committees of the legislature by October 15, 1976.

Subd. 2. On or before July 1, 1976, the school district shall adopt a system of accounting, budgeting, and reporting in accordance with the principles of the uniform financial accounting and reporting system. The legislative auditor shall monitor and assist in the implementation of this system by the school district. The legislative auditor shall report to the legislative audit commission and other appropriate committees of the legislature at the times he deems necessary, but not less than twice each year. He shall make his initial report on or before January 15, 1977. Nothing in this section shall be construed to limit the existing powers of the legislative auditor.

Subd. 3. Independent School District No. 625 shall provide

cooperation and assistance as necessary to the legislative auditor to allow him to perform his duties pursuant to this section.

Sec. 3. [STATUTORY OPERATING DEBT.] Subdivision 1. The "statutory operating debt" of Independent School District No. 625 means the net negative fund balances in all school district funds, other than the capital expenditure and building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30, 1976 in accordance with the principles of the uniform financial accounting and reporting system.

Subd. 2. The legislative auditor shall certify the amount of statutory operating debt of the district as of June 30, 1976. He may adjust this amount on the basis of corrected figures until June 30, 1978.

Sec. 4. [EXCESS LEVY.] In addition to all other levies permitted by law, in 1976 and each year thereafter, Independent School District No. 625 shall make an additional levy to eliminate its statutory operating debt for the school year ending June 30, 1976 as certified by the legislative auditor pursuant to section 3. Each year the commissioner of education shall certify to the county auditor and Independent School District No. 625 the correct amount of this levy. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee, less any amount necessary for the payment of principal and interest on bonds sold pursuant to section 1. When the cumulative receipts from the levies made pursuant to this section and the earnings in the reserve account established under section 5 equal an amount equal to the statutory operating debt, the levy shall be discontinued.

Sec. 5. [RESERVE FUND FOR REDUCING STATUTORY OPERATING DEBT.] Subdivision 1. The district shall establish a special reserve account, which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records into which the proceeds of the bonds authorized in section 1 and the levies made under section 4 shall be placed. The funds in this account shall be used only for the payment of district operating expenses, but the amount in this account shall never supplement district revenues or income for the purposes of increasing the district's capital or operational expenditures or budgets, or for any purpose, other than to meet temporary cash needs. Earnings on sums in this account may be used for paying interest expenses on tax and aid anticipation certificates and for the purposes for which funds in this account may be used. The funds in this account may be invested and re-invested in accordance with the further provisions of Minnesota Statutes, Section 475.66, as amended.

Subd. 2. When the funds in the special reserve account equal the total amount of the statutory operating debt as certified pursuant to section 3, but in no event later than December 31, 1997, the full amount in the special reserve account shall be used to

eliminate the statutory operating debt of the district. Upon elimination of the statutory operating debt, the district shall recognize all tax receipts in the year required by the uniform financial accounting and reporting system.

Sec. 6. [AUTHORIZATION FOR AID ANTICIPATION BORROWING.] The provisions of Minnesota Statutes, Section 124.781 shall not apply to or limit in any way the aid anticipation borrowing of the district, and the district shall be permitted to borrow in anticipation of aids to the full extent permitted by the provisions of Minnesota Statutes, Sections 124.71 to 124.78.

Sec. 7. [GENERAL FUND EXPENDITURE LIMITATION.] In the 1977 fiscal year or in any fiscal year thereafter, Independent School District No. 625 shall not spend any amount in that fiscal year which the district receives from the foundation aid in Minnesota Statutes, Section 124.212, plus the levy allowable under Minnesota Statutes, Section 275.125, Subdivision 2a. plus the levy allowable under Minnesota Statutes, Section 275.125, Subdivision 6, which exceeds the amount which the district would otherwise be entitled to receive from these same sources if it were not using tax anticipation certificates or other methods of borrowing to borrow against tax revenues for the next fiscal year or if it were not using tax receipts intended for the next fiscal year in the prior fiscal year.

Sec. 8. [LIMITATION AND REDUCTION OF TAX ANTICIPATION BORROWING.] Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Section 124.781, Subdivision 2, in the fiscal year 1977, Independent School District No. 625 shall not issue tax anticipation certificates pursuant to Minnesota Statutes, Sections 124.71 to 124.78 in an amount to exceed \$23,250,000. In fiscal year 1978 or any year thereafter, the district shall not issue tax anticipation certificates in an amount to exceed \$23,250,000, less the amount by which the balance in the reserve account for purposes of reducing statutory operating debt exceeds \$6,400,000 as of December 31 of the previous year.

Subd. 2. The legislative audit commission may, upon application of the district, authorize a waiver of the limitation contained in subdivision 1, in the event of an emergency. If the legislative audit commission authorizes such a waiver, it shall report this fact prior to the effective date of the waiver to the appropriate committees of the legislature.

Sec. 9. [PROHIBITION OF CERTAIN FUND TRANSFERS.] Independent School District No. 625 shall not for any purpose borrow or temporarily transfer funds from its building construction account, its debt service account, or from any sinking fund for outstanding bonds issued for building construction or any other purpose.

Sec. 10. Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Section 125.17, Subdivision 1, Clause (a), the definition of "teacher" as used in the application of Minnesota Statutes, Section 125.17 to individuals employed by Independent School District No. 625 shall not include any person regularly

employed to superintend or supervise classroom instruction, or any person who comes within the definitions of Minnesota Statutes, Section 179.63, Subdivision 9. However, the definition of "teacher" in Minnesota Statutes, Section 125.17, shall include any person who comes within the definition in Minnesota Statutes, Section 179.63, Subdivision 14.

Subd. 2. As of June 30, 1976, any individual excluded from the provisions of Minnesota Statutes, Section 125.17 by the operation of subdivision 1 of this section shall forfeit tenure rights in the district previously granted pursuant to Minnesota Statutes, Section 125.17; provided, any such excluded individual shall retain any tenure rights held as a teacher in the district at the time he assumed a position within the exclusionary definition of subdivision 1 and shall retain his date of first employment as a teacher for purposes of section 125.17, subdivision 11. Thereafter, such individuals shall have annual contracts with the district which the school board may or may not renew as it sees fit; provided, however, that the school board shall give any such individual whose contract it declines to renew for the following school year written notice to that effect. Moreover, the school board may discharge or demote any such individual during the term of an annual contract for any cause specified in Minnesota Statutes, Section 125.17, Subdivision 4. A written statement of the cause of the discharge or demotion shall be given to the individual by the school board at least 30 days before the removal or demotion shall become effective.

Subd. 3. In terminating personnel because of financial limitations or any other reason, the school board of Independent School District No. 625 is encouraged to give first priority to the terminations of central office personnel, administrative and supervisory personnel, and other personnel whose duties do not include day to day instructional contact with the students of the district. No cuts in programs shall be made by the district without the express approval of the board.

Sec. 11. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the legislative auditor the sum of \$100,000. Notwithstanding the provisions of Minnesota Statutes, Section 16A.28, or any other provision relating to the lapse of appropriations, the appropriation made pursuant to this section shall not lapse but shall continue until expended.

Sec. 12. Nothing in this act shall be construed to limit the existing powers of the legislative auditor.

Sec. 13. The provisions of this act shall be severable, and if any provision thereof, or the application of any such provision under any circumstances is held invalid, it shall not affect any other provision of this act or the application of any provision thereof under different circumstances.

Sec. 14. [EFFECTIVE DATE.] This act shall become effective only after its approval by a majority of the board of Independent School District No. 625 and upon compliance with the provisions of Minnesota Statutes, Section 645.021."

Further, amend the title as follows:

Page 1, line 7, after "district" insert "; removing certain persons from the application of Minnesota Statutes, Section 125.17 and removing their tenure rights granted thereunder"

The motion prevailed. So the amendment was adopted.

Mr. O'Neill moved to amend H. F. No. 2331, as amended by the Coleman amendment adopted by the Senate February 27, 1976, as follows:

Strike sections 10 and 13

Renumber the sections accordingly

Page 8, strike lines 31 and 32

Page 9, strike lines 1 to 3

Without objection, Mr. Hughes was excused from voting on all proceedings on H. F. No. 2331, pursuant to Rule 22.

Mr. Tennessen moved to amend H. F. No. 2331, as amended by the Coleman amendment adopted by the Senate February 27, 1976, as follows:

Amend the O'Neill amendment as follows:

In the first line of the O'Neill amendment, after "sections" strike "10 and 13" and insert "subdivisions 1 and 2 of section 10, and section 13"

The question being taken on the adoption of the Tennessen amendment to the O'Neill amendment,

And the roll being called, there were yeas 16 and nays 35, as follows:

Those who voted in the affirmative were:

Ashbach	Davies	Humphrey	Patton	Stokowski
Brataas	Fitzsimons	Josefson	Pillsbury	Tennessen
Brown	Hansen, Mel	Merriam	Spear	Ueland
Chmielewski				

Those who voted in the negative were:

Anderson	Gearty	Kowalczyk	Ogdahl	Schmitz
Bernhagen	Hansen, Baldy	Lewis	Olson, A. G.	Schrom
Chenoweth	Keefe, J.	McCutcheon	Olson, H. D.	Sillers
Coleman	Keefe, S.	Milton	O'Neill	Solon
Conzemius	Kirchner	Moe	Perpich, G.	Stumpf
Doty	Kleinbaum	Nelson	Purfeerst	Wegener
Dunn	Knutson	North	Schaaf	Willet

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the O'Neill amendment.

The question being taken on the adoption of the amendment,

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

And the roll being called, there were yeas 24 and nays 27, as follows:

Those who voted in the affirmative were:

Ashbach	Doty	Humphrey	Kowalczyk	Pillsbury
Bernhagen	Dunn	Josefson	Merriam	Spear
Brataas	Fitzsimons	Keefe, J.	Nelson	Tennesen
Brown	Hansen, Baldy	Kirchner	O'Neill	Ueland
Chmielewski	Hansen, Mel	Knutson	Patton	

Those who voted in the negative were:

Anderson	Keefe, S.	Moe	Purfeerst	Stumpf
Chenoweth	Kleinbaum	North	Schaaf	Wegener
Coleman	Laufenburger	Ogdahl	Schmitz	Willet
Conzemius	Lewis	Olson, A. G.	Sillers	
Davies	McCutcheon	Olson, H. D.	Solon	
Gearty	Milton	Perpich, G.	Stokowski	

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

Mr. Nelson moved to amend H. F. No. 2331, as amended by the Coleman amendment adopted by the Senate February 27, 1976, as follows:

Page 8, after line 26, insert:

"Sec. 13. In addition to regular foundation aid payments in 1976-1977, any district having one or more full time classroom teachers with an M.A. degree or M.A. equivalency or whose experience level is above the statewide average experience level shall be eligible for advanced teacher training and experience aid. The statewide average experience level is seven years. The aid for advanced teacher experience shall be computed by multiplying the number by which the district experience index exceeds the statewide average experience index by \$500, to a maximum of \$2,500 for a 12 year index. The result of that calculation is the amount of aid granted to the school district by the department of education. The district experience index is obtained by adding the number of years of experience of all full time classroom teachers in the district and dividing by the number of full time classroom teachers in the district. The aid for advanced teacher training shall be computed by multiplying the percentage of full time classroom teachers in the district having an M.A. degree or M.A. equivalency by \$1,000. The result of that calculation is the amount of aid granted to the school district by the department of education."

Renumber the sections in sequence

Page 9, line 3, after "thereunder" insert "; providing for categorical aid to certain school districts"

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 12 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Brown	Kirchner	Nelson	Pillsbury
Bernhagen	Hansen, Mel	Milton	Patton	Ueland
Brataas	Keefe, J.			

Those who voted in the negative were:

Anderson	Gearty	McCutcheon	Perpich, G.	Stumpf
Chenoweth	Hansen, Baldy	Merriam	Schaaf	Tennessee
Chmielewski	Hanson, R.	Moe	Schmitz	Wegener
Coleman	Humphrey	North	Schrom	Willet
Conzemius	Kleinbaum	Ogdahl	Sillers	
Davies	Knutson	Olson, A. G.	Solon	
Doty	Laufenburger	Olson, H. D.	Spear	
Dunn	Lewis	O'Neill	Stokowski	

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

SUSPENSION OF RULES

Mr. Coleman moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 2331 and that the rules of the Senate be so far suspended as to give H. F. No. 2331 its third reading and place it on its final passage.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 50 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	North	Schmitz
Ashbach	Fitzsimons	Knutson	Ogdahl	Schrom
Bernhagen	Gearty	Kowalczyk	Olson, A. G.	Solon
Brataas	Hansen, Baldy	Laufenburger	Olson, H. D.	Spear
Chenoweth	Hansen, Mel	Lewis	O'Neill	Stokowski
Chmielewski	Hanson, R.	McCutcheon	Patton	Stumpf
Coleman	Humphrey	Merriam	Perpich, G.	Tennessee
Conzemius	Keefe, J.	Milton	Pillsbury	Ueland
Davies	Keefe, S.	Moe	Purfeerst	Wegener
Doty	Kirchner	Nelson	Schaaf	Willet

Messrs. Brown and Josefson voted in the negative.

The motion prevailed. So the rules were suspended.

H. F. No. 2331: A bill for an act relating to education; authorizing Independent School District No. 625 to issue bonds for the purpose of correcting cash flow problems and for other purposes; requiring a tax levy in certain years to eliminate the operating debt of the district; appropriating money.

Was read the third time, as amended, and placed on its final passage.

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

And the roll being called, there were yeas 43 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Gearty	Keefe, S.	McCutcheon
Ashbach	Conzemius	Hansen, Baldy	Kirchner	Merriam
Brataas	Davies	Hansen, Mel	Kleinbaum	Milton
Chenoweth	Doty	Humphrey	Laufenburger	Moe
Chmielewski	Dunn	Keefe, J.	Lewis	Nelson

North	O'Neill	Schmitz	Spear	Wegener
Ogdahl	Perpich, G.	Schrom	Stokowski	Willet
Olson, A. G.	Purfeerst	Sillers	Stumpf	
Olson, H. D.	Schaaf	Solon	Tennessee	

Those who voted in the negative were:

Bernhagen	Fitzsimons	Josefson	Kowalczyk	Pillsbury
Brown	Hanson, R.	Knutson	Patton	Ueland

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 11:30 o'clock a.m., Monday, March 1, 1976. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate