

ONE HUNDRED FIFTH DAY

St. Paul, Minnesota, Saturday, April 3, 1976

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate for the balance of today's proceedings. The following Senators answered to their names:

Anderson	Conzemius	Josefson	Ogdahl	Spear
Arnold	Davies	Keefe, S.	Olson, J. L.	Stassen
Berg	Doty	Kleinbaum	O'Neill	Stokowski
Bernhagen	Dunn	Kowalczyk	Patton	Stumpf
Blatz	Frederick	Larson	Perpich, A. J.	Tennessee
Borden	Gearty	Lewis	Perpich, G.	Ueland
Brataas	Hansen, Baldy	McCutcheon	Pillsbury	Wegener
Brown	Hansen, Mel	Merriam	Renneke	Willet
Chenoweth	Hanson, R.	Milton	Schmitz	
Coleman	Hughes	Moe	Schrom	

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

Prayer was offered by the Chaplain, Rev. Amos Levang.

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

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

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. Fitzsimons and Purfeerst were excused from the Session

of today. Mr. Keefe, J. was excused from the Session of today from 11:30 o'clock a.m. until 1:00 o'clock p.m. Mr. Josefson was excused from the Session of today at 12:00 o'clock noon. Messrs. Berg and Hanson, R. were excused from the Session of today at 2:00 o'clock p.m. Mr. Olson, J. L. was excused from the Session of today at 1:30 o'clock p.m.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2188, and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2188: A bill for an act relating to motor vehicles; defining powers of the registrar of motor vehicles; providing for the appointments of private deputy registrars; providing for the appointment of a county license bureau director as deputy registrar; amending Minnesota Statutes 1974, Sections 168.33, Subdivision 7; and 373.35, Subdivision 1; and Minnesota Statutes, 1975 Supplement, Section 168.33, Subdivision 2; repealing Minnesota Statutes 1974, Section 373.36.

House File No. 2188 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted April 2, 1976

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2188

A bill for an act relating to motor vehicles; defining powers of the registrar of motor vehicles; providing for the appointment of private deputy registrars; providing for the appointment of a county license bureau director as deputy registrar; amending Minnesota Statutes 1974, Sections 168.33, Subdivision 7; and 373.35, Subdivision 1; and Minnesota Statutes, 1975 Supplement, Section 168.33, Subdivision 2; repealing Minnesota Statutes 1974, Section 373.36.

March 30, 1976

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

The Honorable Alec G. Olson
President of the Senate

We, the undersigned conferees for H. F. No. 2188 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2188 be amended as follows:

Page 4, line 13, strike "or" and insert " *a filing fee of 50 cents and for each application* "

Page 4, line 13, after "at" strike "a" and insert " *the* "

Page 5, after line 7, insert:

"Sec. 4. Minnesota Statutes, 1975 Supplement, Section 16.753, is amended to read:

16.753 [USE OF STATE-OWNED VEHICLES.] *Subdivision 1.* By October 1, 1975, the commissioner of administration shall develop, implement, and, as needed, amend rules, 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 for travel by the employee to and from his place of residence. Such rules, rates and operating policies shall not be subject to the provisions of the administrative procedures act. All moneys received under this provision shall be deposited as nondedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.

Subd. 2. The provisions of subdivision 1 shall not apply to any member of the state highway patrol, nor to the commissioner and deputy commissioner of public safety.

Sec. 5. The commissioner of public safety is hereby authorized to retain, acquire, maintain and operate helicopters and fixed wing aircraft for the purposes of highway patrol and to employ highway patrol officer pilots as required.

Sec. 6. The provisions of the fourth paragraph of Laws 1975, Chapter 204, Section 31, Subdivision 2, insofar as they refer to helicopters and fixed wing aircraft are superseded by this act."

Renumber the remaining sections

Further, amend the title by striking it in its entirety and inserting

"A bill for an act relating to public safety; authorizing the commissioner of public safety to maintain certain aircraft; defining powers of the registrar of motor vehicles; providing for the appointment of private deputy registrars; providing for the appointment of a county license bureau director as deputy registrar; amending Minnesota Statutes 1974, Sections 168.33, Subdivision 7; and 373.35, Subdivision 1; and Minnesota Statutes, 1975 Supplement, Sections 16.753; and 168.33, Subdivision 2; repealing Minnesota Statutes 1974, Section 373.36."

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

House Conferees: (Signed) Roy C. Carlson, Robert E. Vanasek, John J. Sarna, C. Thomas Osthoff, Ronald G. Evans

Senate Conferees: (Signed) Florian Chmielewski, Robert J. Schmitz, Clarence M. Purfeerst, Mel Frederick, Mel Hansen

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2188 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Arnold moved a substitute motion that the Conference Committee Report on H. F. No. 2188 be rejected.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Keefe, S.	Olhoft	Spear
Arnold	Conzemius	Lewis	Olson, A. G.	Stumpf
Ashbach	Davies	Merriam	Perpich, A. J.	Tennessen
Borden	Hughes	Moe	Perpich, G.	Willet
Chenoweth	Josefson	Ogdahl	Pillsbury	

Those who voted in the negative were:

Bang	Dunn	Keefe, J.	Nelson	Schrom
Berg	Frederick	Kirchner	North	Sillers
Bernhagen	Gearty	Kleinbaum	Olson, H. D.	Solon
Blatz	Hansen, Baldy	Knutson	Olson, J. L.	Stassen
Brataas	Hansen, Mel	Kowalczyk	O'Neill	Stokowski
Brown	Hanson, R.	Larson	Patton	Ueland
Chmielewski	Humphrey	McCutcheon	Renneke	Wegener
Doty	Jensen	Milton	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Chmielewski to adopt the recommendations and Conference Committee Report on H. F. No. 2188. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2188: A bill for an act relating to public safety; authorizing the commissioner of public safety to maintain certain aircraft; defining powers of the registrar of motor vehicles; providing for the appointment of private deputy registrars; providing for the appointment of a county license bureau director as deputy registrar; amending Minnesota Statutes 1974, Sections 168.33, Subdivision 7; and 373.35, Subdivision 1; and Minnesota Statutes, 1975 Supplement, Sections 16.753; and 168.33, Subdivision 2; repealing Minnesota Statutes 1974, Section 373.36.

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,

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

And the roll being called, there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Brown	Hanson, R.	Nelson	Schmitz
Ashbach	Chmielewski	Jensen	Olson, H. D.	Schrom
Bang	Doty	Kirchner	Olson, J. L.	Sillers
Berg	Dunn	Kleinbaum	O'Neill	Solon
Bernhagen	Frederick	Knutson	Patton	Stassen
Blatz	Hansen, Baldy	Kowalczyk	Pillsbury	Ueland
Brataas	Hansen, Mel	Larson	Renneke	Wegener

Those who voted in the negative were:

Arnold	Gearty	Laufenburger	Ogdahl	Stokowski
Borden	Hughes	Lewis	Olhoft	Stumpf
Chenoweth	Humphrey	Merriam	Olson, A. G.	Tennessee
Coleman	Josefson	Milton	Perpich, A. J.	Willet
Conzemius	Keefe, J.	Moe	Perpich, G.	
Davies	Keefe, S.	North	Spear	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 109, and re-passed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 109: A bill for an act relating to the organization of state government; providing that heads of certain departments and other governmental units of the state shall serve at the pleasure of the governor; eliminating obsolete language; amending Minnesota Statutes 1974, Sections 16.01; 16A.01, Subdivision 2; 17.01; 45.02; 45.15; 84.01, Subdivision 2; 116.03, Subdivision 1; 161.03, Subdivision 1; 175.001, Subdivision 1; 179.02; 196.02, Subdivision 1; 216A.06; 241.01, Subdivision 1; 245.03; 268.12, Subdivision 1; 270.02, Subdivision 2; 298.22, Subdivision 1; 299A.01, Subdivision 1; 360.014, Subdivision 2; 362.09, Subdivision 1; and 363.04, Subdivision 1.

House File No. 109 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted April 3, 1976

Mr. Davies for Mr. Schaaf moved that H. F. No. 109 and the Conference Committee Report thereon 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. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2281 for comparison to companion Senate File , reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CALENDAR OF ORDINARY MATTERS		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2281	2096				

Pursuant to Rule 49 the Committee on Rules and Administration recommends that H. F. No. 2281 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1975 Supplement, Section 473.121, Subdivision 7, is amended to read:

Subd. 7. "Metropolitan commission" means the metropolitan waste control commission, the metropolitan transit commission, and ~~other~~ such commissions as the legislature may hereafter designate *the metropolitan parks, arts and recreation commission*.

Sec. 2. Minnesota Statutes, 1975 Supplement, Section 473.121, Subdivision 14, is amended to read:

Subd. 14. "Regional recreation open space" means the land and water areas determined by the metropolitan council to be of regional significance in providing for a balanced system of public ~~outdoor~~ recreation for the metropolitan area, including but not limited to park reserves, *conservatories, zoos, major linear parks, and large recreation parks*.

Sec. 3. Minnesota Statutes, 1975 Supplement, Section 473.147, is amended to read:

473.147 [REGIONAL PARKS, ARTS AND RECREATION POLICY PLAN.] Subdivision 1. The metropolitan council after consultation with the parks, *arts and open space recreation commission*, municipalities, park districts and counties in the metropolitan area, and after appropriate public hearings, shall prepare and adopt a long-range system policy plan for regional recreation open space, *and for regional arts and recreation facilities*, as part of the council's metropolitan development guide. The plan shall substantially conform to *sections 8 to 16 and to all policy statements, purposes, goals, standards, and maps in development guide sections and comprehensive plans as developed and adopted by the council pursuant to the chapters of the Minnesota Statutes directly relating to the council this chapter*. The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the ~~outdoor~~ recreation needs of the people of the metropolitan area and shall establish priorities for acquisition and development. *In addition the plan shall present an analysis of existing regional arts, recreation and sports facilities, identifying the needs of the area for additional types of facilities, and discussing the types of facilities for which no additional need exists.* In preparing or amending the policy plan the council shall ~~consult with and make maximum use of the expertise of the commission~~. The policy plan shall include a five year capital improvement program, which shall be revised periodically and shall establish criteria and priorities for the allocation of funds for such acquisition and development *include, to the extent appropriate, any of the statements and descriptions listed in section 473.146, subdivision 1, and the plan shall be*

adopted following the procedures provided in section 473.146, subdivision 2.

Subd. 2. Before adopting the policy plan, the council shall submit the proposed plan to the parks and open space commission for its review, and the commission shall report its comments to the council within 60 days. The council shall hold a public hearing on the proposed policy plan at such time and place in the metropolitan area as it shall determine. Not less than 15 days before the hearing, the council shall publish notice thereof in a newspaper or newspapers having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the proposed policy plan and commission comments may be examined by any interested person. At any hearing interested persons shall be permitted to present their views on the policy plan, and the hearing may be continued from time to time. After receipt of the commission's report and hearing, the council may revise the proposed plan giving appropriate consideration to all comments received, and thereafter shall adopt the plan by resolution. An amendment to the policy plan may be proposed by the council or by the parks and open space commission. At least every four years the council shall engage in a comprehensive review of the policy plan, development guide sections, comprehensive plans, capital improvement programs and other plans in substantial conformance with the requirements of subdivision 1 which have been adopted by the council.

Subd. 2. The policy plan in effect on the effective date of this act shall continue in force and effect until expressly superseded by a policy plan adopted pursuant to this section by the council.

Sec. 4. Minnesota Statutes, 1975 Supplement, Section 473.301, is amended to read:

473.301 [DEFINITIONS.] Subdivision 1. As used in sections 473.302 to 473.341 and sections 5 to 17, the terms defined in this section have the meanings given them.

Subd. 2. "Policy plan" means a plan adopted by the council pursuant to section 473.147, generally describing the extent, type and location of regional recreation open space needed for the metropolitan area and the timing of its acquisition and development.

Subd. 3. "Master plan" means a plan describing the boundaries of specific parks or other regional recreation open space and the nature of their development and use.

Subd. 4. "Commission" means the metropolitan parks, arts and open space recreation commission created by section 473.303.

Subd. 5. "Municipality" means any city or town exercising municipal powers located in the metropolitan area, except where there exists in a city of the first class an elected park and recreation board having control of parks, parkways, playgrounds, and trees, for purposes of sections 473.302 to 473.341, that board shall be considered a municipality.

Subd. 6. "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities are now parties.

Subd. 7. "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon, now owned by the cities.

Subd. 8. "Use agreements" means all agreements now in effect entered into by the metropolitan sports area commission on behalf of the cities, providing for the use of the metropolitan sports area or any part thereof by any person, firm or corporation.

Subd. 9. "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 10. "Sports facility" means any real, personal, or mixed property used or useful for amateur or professional athletic exhibitions and contests attended by the public, or for instruction, training, and participation in athletics by individual members of the public, or by students at public or private schools and colleges, or by members of athletic associations, which is acquired, leased, or held by the commission primarily for one or more of these purposes.

Subd. 11. "Recreational facility" shall be limited to the facilities specifically described in section 471.191, which have an estimated capital cost of over \$10,000,000.

Subd. 12. "Debt service fund" means the fund from which are payable the principal and interest on all bonds issued or assumed by the council under sections 8 and 10.

Sec. 5. Minnesota Statutes, 1975 Supplement, Section 473.302, is amended to read:

473.302 [LEGISLATIVE POLICY; PURPOSE.] *The legislature finds that the population in the metropolitan area has a need for additional land and facilities for regional parks, arts and recreational activities, and for additional sports facilities and that this need cannot be adequately met by the activities of individual municipalities, agreements among municipalities, or by the private efforts of the people in the metropolitan area. The legislature finds that the pressure of urbanization and development threatens the most valuable remaining large recreational open space areas in the metropolitan area at the same time as the need for such areas is increased ; and that there is a need for the development of open space in rural and urban areas. The provision of land and facilities for regional parks, arts and recreation, including sports facilities, will promote the health, safety and general welfare of the inhabitants of the area by enabling them to use and enjoy the parks and open space, arts facilities, and recreational facilities, including sports facilities, and by promoting the economic welfare of the metropolitan area and its inhabitants and industries. It is therefore necessary for the public health, safety*

and general welfare of the people of the metropolitan area to create a metropolitan parks, arts and recreation commission to carry out the powers and duties enumerated in Minnesota Statutes, Sections 473.302 to 473.341 and sections 5 to 17. Immediate action is therefore necessary to provide funds to acquire, preserve, protect and develop regional recreational open space for public use.

Sec. 6. Minnesota Statutes, 1975 Supplement, Section 473.303, Subdivision 1, is amended to read:

473.303 [METROPOLITAN PARKS, ARTS AND RECREATION COMMISSION.] Subdivision 1. [GENERAL.] A metropolitan parks, arts and open space recreation commission is established as an agency of the council and shall be organized and structured as provided in this section and section 473.141, subdivisions 6 to 11, 13 and 14.

Sec. 7. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.350] [GENERAL POWERS.] Subdivision 1. The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. It may acquire by lease, purchase, gift, devise, or eminent domain pursuant to the provisions of Minnesota Statutes, Chapter 117, all necessary right, title, and interest in and to real and personal property deemed necessary to the sports facility purposes contemplated by sections 5 to 17, and may construct, equip, improve, operate, manage, and maintain sports facilities, including existing facilities. The power of eminent domain may be exercised by the commission only in connection with the construction of sports and related facilities and for a specific property only upon the approval of the council. Any properties, real or personal, acquired, owned, leased, controlled, used or occupied by the commission for any of the purposes of this act, are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement.

Subd. 4. The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes, subject to the approval by the council of any sale of real property. The property shall be sold in the manner provided by section 462.325, insofar as practical. The proceeds of sale shall be used as directed by the council, to pay the capital cost of sports facilities or to pay bonds issued by the council for that purpose or bonds upon which it is obligated under the provisions of section 8, subdivision 2.

Subd. 5. The commission may employ persons and contract for services and materials, supplies and equipment as may be necessary to carry out its functions.

Subd. 6. The commission may accept gifts, may apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan or agreement relating thereto.

Subd. 7. The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions; and may advise and assist the metropolitan council and other governmental units on planning matters within the scope of its powers, duties and objectives.

Subd. 8. The commission and the board of regents of the university of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed herein.

Subd. 9. The commission may lease, license, or enter into other agreements for the use of part or all of any property or facility under its ownership or control for purposes as will provide athletic, educational, cultural, commercial or other entertainment, instruction or activity for the citizens of the metropolitan area.

Subd. 10. Contracts for the purchase of materials, supplies, and equipment shall be made in accordance with section 471.345; except that the commission with the approval of the council, and without advertisement for bids, may employ a person, firm, or corporation to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a sports facility project. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of such bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 11. The commission may appoint advisory committees in the areas of culture and arts, parks and recreation, and sports.

Subd. 12. The commission shall appoint a nine member advisory sports facility building committee with membership as follows: a member representing the commission; a representative of the university of Minnesota; four citizen representatives, three of whom shall reside outside the city in which the facility is situated; and one member of the former metropolitan sports area commission from each of the three cities, to be chosen by the parks, arts and recreation commission. A representative of each professional athletic team which intends to use the facility shall serve as an ex-officio member of the committee. The commission shall seek the advice of the committee on matters relating to the construction of any new sports facility, and may delegate to the committee, or a subcommittee designated by it, such functions as it

may determine to be desirable in the supervision of such construction. Upon completion of construction the committee shall be discharged.

Subd. 13. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission, and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic regulations.

Subd. 14. The construction of new sports facilities under this act shall be accomplished under the provisions of sections 7 to 14 and shall not be affected by Minnesota Statutes, 1975 Supplement, Sections 473.161, 473.163, and sections 3, 4, and 15.

Sec. 8. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.351] [OWNERSHIP AND OPERATION OF METROPOLITAN SPORTS AREA.] *Subdivision 1. On the effective date of this act the ownership of the metropolitan sports area is transferred to the commission.*

Subd. 2. The cities and the metropolitan sports area commission shall cause all conveyances and other instruments to be executed, delivered, and recorded on their behalf which the commission, upon advice of counsel, deems necessary or desirable to transfer and convey to it all of the cities' right, title, and interest in and to the metropolitan sports area and all parts thereof and appurtenances thereto. The treasurer of the city of Minneapolis shall remit, endorse, assign and transfer to the treasurer of the commission all moneys and securities credited to the metropolitan sports area fund on the city's official books and records under the provisions of the ownership and operations agreement, except the metropolitan sports area bond sinking fund. The commission shall be and become obligated for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement and amendments thereto and shall provide to Minneapolis funds sufficient to meet such payments and to maintain the sinking fund pursuant to the agreement; provided that when the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the commission shall be discharged. The commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use agreements relating to the metropolitan sports area. and the cities and the metropolitan sports area commission shall cause to be executed all such assignments and other documents as the commission, upon the advice of the counsel, shall deem necessary or desirable and appropriate to vest all their rights and privileges under such agreements in the commission, provided that nothing herein shall be construed as imposing upon the commission an obligation to the cities and the

metropolitan sports area commission, or any of them, to compensate the cities for all or any part of the metropolitan sports area, or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission, except to the extent necessary to provide revenues sufficient, with other resources of the commission, to pay said outstanding bonds and interest thereon.

Subd. 3. All persons employed by the metropolitan sports area commission are transferred to the metropolitan parks, arts and recreation commission without loss of right or privilege.

Sec. 9. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.352] [RETIREMENT; ADMINISTRATION; PURCHASES OF PRIOR SERVICE CREDIT.] Subdivision 1. All employees of the commission shall be members of the Minnesota state retirement system with respect to service rendered on or after the effective date of this act, except that temporary employees hired for a period of less than six months and part time employees hired to work less than 30 hours per week shall be excluded from membership in the retirement system if the commission certifies them to the executive director of the retirement system as being temporary or part time employees. Provided, however, that any employee of the commission who was an employee of the metropolitan sports area commission immediately prior to the effective date of this act and who was a member of the public employees retirement association on account of such employment may elect no later than 30 days following the effective date of this act to remain a member of the public employees retirement association. Such election shall be made on forms provided by the commission, and the commission shall give immediate notice of any such elections to the executive directors of the public employees retirement association and the Minnesota state retirement system. Any person who makes such an election shall be excluded from membership in the Minnesota state retirement system with respect to employment by the commission.

Subd. 2. Any permanent full time employee of the commission who was a permanent full time employee of the metropolitan sports area commission prior to the effective date of this act for whom such prior employment was not covered by the public employees retirement association, may obtain allowable service credit in the Minnesota state retirement system by paying to the retirement system (a) an amount equal to four percent of his or her current salary rate multiplied by the days and months of such prior service for which he or she desires to obtain allowable service credit plus (b) a matching amount representing the employer's required contributions, except that the commission may agree to pay such matching amount on behalf of its employees. Proof of prior permanent full time service and the duration thereof shall be established by the certification of the commission to the executive director of the retirement system. The payments shall be made either in a lump sum or by payroll deduction arranged for on or before July 1, 1977.

Sec. 10. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.353] [DEBT OBLIGATIONS.] *Subdivision 1. [BONDS.] The metropolitan council may by resolution authorize the sale and issuance of its revenue bonds for any or all of the following purposes:*

(a) To provide funds for the acquisition or betterment of sports facilities by the commission, including the payment of interest on the bonds for a period not to exceed three years and to fund any reasonably required reserve in the debt service fund, subject to the limitations in subdivision 3;

(b) To refund bonds issued hereunder and revenue bonds upon which the council is obligated under section 8, subdivision 2;

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions.

Subd. 2. [PROCEDURE.] Such bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and this section, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter, except that the interest rates on the bonds shall be limited to 7½ percent, and the bonds may be sold at any price and at public or private sale as determined by the council, and they shall be payable solely from tax and other revenues referred to in section 11, and shall not be a general obligation or debt of the metropolitan council or of the commission. The amount thereof shall not be limited except as provided in subdivision 3 and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, and no election shall be required.

Subd. 3. [LIMITATION.] Until and unless otherwise provided by law, the principal amount of any bonds issued pursuant to subdivision 1, clause (a) shall be limited to \$47,000,000, and the purpose thereof shall be limited to the acquisition and betterment of a new multipurpose stadium seating approximately 65,000 persons suitable for university and major league baseball and football and for soccer, with adjacent parking facilities for automobiles and road access improvements, and without expenditure of bond proceeds for the acquisition of the site or for the construction or installation of a dome over the playing field; and the council shall not issue any of the bonds in excess of \$2,000,000 until it has determined that:

(a) Professional baseball and football clubs have entered into agreements with the commission to play in the stadium for a period not less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the completion of the stadium; each agreement shall include a provision for arbitration of annual damages through loss of revenues in the event of default, based on average revenues in the years prior to default from the commission's share of gross admissions and concessions, from parking during club activities, and from taxes on admissions to club activities, and payable during the period from the occurrence of the default to the date on which another major league club shall enter into a use agreement with the commission for not less than the then remaining term of the original agreement; provided that such damages shall not exceed in any year an amount

sufficient, with other revenues of the commission including admission taxes but excluding any other taxes, to pay all expenses of operation, maintenance, and administration of the stadium and all principal and interest due on the bonds referred to in this section and section 8, subdivision 2, during the same year.

Subd. 4. No construction may be carried out on a new sports facility until the council has determined that:

(a) Acceptance by the environmental quality council of the environmental impact statement required in section 12 has been received and all necessary permits have been issued by the pollution control agency;

(b) The stadium and parking and ancillary facilities will be situated within the area designated by the site selection panel under section 14;

(c) The commission has received a grant of funds, or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required to make any payment upon which its acquisition of title to and possession of the site is conditioned and to satisfy any lawsuit related thereto, and to pay all costs of clearing the site of all buildings, railroad trackage and other structures, plus any necessary relocation costs;

(d) The commission has acquired title to the site, including all easements and other appurtenances needed for the construction and operation of the stadium, or an order has been entered by a court of competent jurisdiction determining that its taking of the site and appurtenances is necessary and authorized by law and appointing commissioners to assess and award the damages pursuant to section 117.075;

(e) All agreements entered into by the commission are consistent with the purposes of sections 7 to 14, and the council has reviewed plans prepared for the commission in detail sufficient so that the development of final plans and specifications in accordance therewith will assure completion of the project in conformity with said purposes;

(f) The council finds that there are adequate provisions for traffic circulation at the stadium site;

(g) In the considered judgment of the council the proceeds of the bonds will be sufficient to pay the entire cost of the stadium and ancillary facilities, and the revenues that may reasonably be expected to be received from the sources described in section 11, except subdivision 2 thereof, and from the playing agreements referred to in clause (a) above, and from investment of the construction fund, and, if a site in the city of Minneapolis is selected under section 14, from the sale of any part of the existing metropolitan sports area which is no longer needed, will be sufficient to pay all current expenses of operation, administration, and maintenance of the commission's sports facilities, to pay the principal of and interest on all bonds referred to in this subdivision and in section 8, subdivision 2, when due or called for prior redemption, and to accumulate and maintain an adequate bond reserve;

(h) *The council in determining whether the aforementioned items have been satisfied may require of the lessee professional teams any and all relevant corporate fiscal and financial data, including, but not limited to, profit and loss statements, annual audit statements, and balance sheets;*

(i) *The requirements in paragraphs (d) and (e) shall apply only to a facility constructed in the city of Minneapolis; and*

(j) *In no case shall the net revenues of the commission be reduced or abated, in whole or in part, through private box lease rate reductions offered in connection with any incentive for the donation of land or site clearance costs for a sports facility.*

Subd. 5. [SECURITY.] The tax and other revenues described in section 1 shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance and debt service of the commission's sports facilities until all bonds referred to in section 8, subdivision 2 and all bonds issued pursuant to this section are fully paid. The bonds referred to in section 8, subdivision 2 may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b) and not subject to the limitation in subdivision 3, for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and until these bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the net revenues from the date when bonds are first issued under the resolution or indenture, and shall secure not only the payment of principal and interest and redemption premiums when due, but also the maintenance at all times of a reserve securing such payments, to be established from proceeds of the bonds or of the tax authorized in section 11, subdivision 2, at the time of first issuance of the bonds or within three years thereafter, in an amount at least equal to the maximum amount of principal and interest to become due or subject to mandatory redemption (except any amount of term maturity bonds required to be redeemed before maturity) in any subsequent year, with respect to all bonds outstanding under the bond resolution or indenture. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders, including but not limited to covenants re-

garding deposit, investment, and disposition of bond proceeds and revenues in the hands of the treasurer or the trustee; construction, acquisition, repair, replacement, operation, and insurance of facilities; funds, accounting, and reports; establishment and revision of rentals, fees, and charges to produce sufficient revenues; conditions of use and agreements for the use of facilities; establishment and maintenance of reserves for working capital, debt service, repairs, and replacements; amendment of covenants and other provisions; conditions for satisfaction and discharge of bond obligations; conditions for issuance of additional bonds as a superior, equal, or subordinate charge on the revenues pledged and the property mortgaged; duties and liabilities of the trustee; events of default and the waiver thereof; remedies, including acceleration, and limitations upon the prosecution of remedies. No pledge, mortgage, covenant, or agreement securing revenue bonds may be impaired, revoked, or amended by law or by action of the council or commission, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 6. [REVENUE ANTICIPATION CERTIFICATES.] *At any time or times after approval of an annual budget of the commission for operation, administration, and maintenance of its sports facilities, and in anticipation of the collection of the tax and other revenues appropriated in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such term as it may determine, of revenue anticipation certificates in aggregate principal amounts not exceeding 50 percent of the total amount of such appropriations, and maturing not later than three months after the close of the budget year. An amount of the anticipated revenues equal to not less than 105 percent of the amount required to pay the certificates and interest thereon when due shall be reappropriated to a special fund established in the council's financial records, and all revenues received after expenditure or encumbrance of the remaining amount appropriated shall be credited to the fund until the certificates and interest are fully paid. If for any reason the anticipated revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, and the council shall raise the rate of the tax authorized in section 11, subdivision 2, so far as necessary to restore the deficiency and produce revenues sufficient to pay all costs of operation, maintenance, administration and debt service in the then current and following budget years.*

Sec. 11. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.354] [FINANCES.] Subdivision 1. [ADMISSIONS TAX.] *Commencing January 1, 1977, the council may by resolution levy, impose, and collect an admissions tax, additional to and not in lieu of any taxes imposed by chapter 297A, upon the granting by any private or public person, association, or corporation, other than the commission, of the privilege of admission to activities conducted on premises owned, operated, or controlled by the commission. Commencing January 1, 1977, no other tax may be levied on such transactions by any other unit of government except the state. The tax shall be stated and*

charged separately from the sales price so far as practicable and shall be collected by the grantor of admission from the person admitted and shall be a debt from that person to the grantor, and the tax required to be collected shall constitute a debt owed by the grantor to the commission, which debts shall be recoverable at law in the same manner as other debts. Every person, association, or corporation granting such admissions may be required, as provided in resolutions of the council, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment, and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax. The tax may not exceed three percent of the selling price; except that the tax upon admissions to activities conducted in the stadium referred to in section 10, subdivision 3, may be imposed at rates not to exceed ten percent of the selling price. The tax imposed by this subdivision shall be paid by the commission into the debt service fund.

Subd. 2. [ON-SALE LIQUOR TAX.] The council is authorized to impose a tax, supplemental to the general sales and use taxes imposed in chapter 297A, and to the excise taxes imposed in chapter 340, in the amount of one percent on all sales within the metropolitan area of intoxicating liquor and fermented malt beverages, at licensed on-sale liquor establishments, as those terms are defined in chapter 340. The tax shall be effective as of June 1, 1976, and shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions, and the collections thereof, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the commission to be distributed as provided in section 13. If in any year the commission experiences a cash deficit or the council estimates that the tax and other revenues to be received in the current or following year will not be sufficient to avoid cash deficit, the council may and shall increase the rate of the tax to such percent not exceeding two percent of the sales price as it estimates will be sufficient to remove any present and prevent any future deficit. It may reduce the rate at any time after twelve months of operation without a deficit, to such rate as it estimates will be adequate to prevent the recurrence of a deficit.

Subd. 3. [RENTALS, FEES, CHARGES, AND CONTRACTS.] The commission is authorized to fix, alter, charge, and collect rentals, fees, and charges to all private and public persons, associations, and corporations, for the use, occupation, and availability of all premises owned, operated, or controlled by it and all facilities situated thereon, and to enter into contracts respecting such rentals, fees, and charges. The amounts thereof shall be those estimated to be necessary and feasible to produce so far as possible, with revenues from other sources, the amounts needed for current operation, maintenance, and debt service. All such rentals, fees, charges, and contracts shall be submitted to the council in accordance with section 473.163. Any contract may provide that the other contracting party shall have exclusive or nonexclusive use of such areas at such times, and shall be responsible for such performance and the payment of such costs of operation and maintenance thereof, as may be agreed.

Subd. 4. [GENERAL.] The commission shall receive and account for all tax and other revenues referred to in this section and from such revenues shall provide, contract, and pay for proper operation and maintenance of all of its property and facilities, and shall maintain a reserve for working capital as authorized by the council, and shall remit to the council for deposit in its debt service fund, at times required by resolutions of the council, the net revenues in excess of these requirements; provided that the council may by such resolutions authorize the retention also of a reserve for major repairs, replacements, and improvements.

Sec. 12. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.355] [ENVIRONMENTAL IMPACT STATEMENT.]
Subdivision 1. Environmental impact statements fulfilling the requirements of section 116D.04 shall be completed for each stadium site specified in section 14, subdivision 1, within ten months of the effective date of this act. Each environmental impact statement shall include a study of the costs and methods for the control of traffic within and immediately outside of the stadium site. The environmental impact statements shall be prepared by the commission. The commission shall contract for the preparation of the statements. The draft environmental impact statements shall be submitted to the environmental quality council within 120 days of the effective date of this act. The provisions of this section shall apply to the construction of a new multi-purpose sports facility by the commission, notwithstanding any contrary provisions of section 116D.04 or any regulations issued pursuant thereto.

Subd. 2. The pollution control agency shall take final action to approve or deny any permits necessary for the construction of a new sports facility for each stadium site specified in section 14, subdivision 1, within ten months following the effective date of this act.

Subd. 3. The commission, in coordination with the highway department, shall conduct a study of the estimated capital costs of construction or modification of any roads or highways necessitated by the construction of a new stadium. The study shall be completed within six months of the effective date of this act.

Sec. 13. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.356] [LIQUOR LICENSE.] *A single on-sale license may be issued by the commission for the sale of intoxicating liquors in sports facilities owned or controlled by the commission. The license issued under this section shall be for a single sports facility building, and shall not be included in the number of licenses within the city in which the sports facilities are located for the purposes of any law or charter provision limiting the number of on-sale licenses within the city. In addition, notwithstanding any provision of law or city charter to the contrary, on-sale licenses for the sale of intoxicating liquor may be issued to establishments on land now known as the metropolitan sports area owned by the commission and which is used primarily for sports and recreational purposes, upon*

payment of the regular on-sale license fee therefor to the municipality wherein the licensed premises are located, and such license shall authorize the sale of intoxicating liquor to club members and guests only.

Sec. 14. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.357] [ARBITRATION PANEL.] *Subdivision 1. An arbitration panel shall be created to determine the location and general design specifications for a new multi-purpose sports facility in the metropolitan area.*

The panel shall select one of two sites: (a) the metropolitan sports area and the area adjacent thereto; or (b) the area within three-fourths of a mile of the intersection of 12th avenue and second street in the city of Minneapolis. The panel shall be composed of three impartial members appointed by the governor.

Subd. 2. The panel may contract for staff and consultant services as needed to perform its duties.

Subd. 3. The commission shall provide funds to the panel, to accomplish the purpose of this section, from the proceeds of bonds issued pursuant to section 10, subdivision 1, clause (a).

Subd. 4. The general design specifications for the sports facility shall at least meet the minimum general design specifications listed in Appendix A of the report of the state planning agency, entitled "A Report on Sport Stadium Proposals" and dated February, 1976.

Subd. 5. The panel shall hold a series of hearings in both out-state and metropolitan Minnesota. The hearings shall be open to the public and shall be held after appropriate public notice. The purpose of the hearings is to receive public testimony on all factors relating to the choice of location for the facility.

Subd. 6. Within 30 days following the acceptance by the environmental quality council of the environmental impact statements required by section 12, the arbitration panel shall, by a majority vote, make a site selection. Their decision shall be reported to the legislature, the governor, the commission, and the metropolitan council. In making their decision, the panel shall consider all relevant factors bearing on the site selection, including but not limited to the environmental impact statements and highway study required in section 12, the design features unique to each site, and the testimonies at the public hearings.

Sec. 15. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.358] [CERTIFICATE OF NEED FOR NEW REGIONAL RECREATION FACILITIES.] *Subdivision 1. The council shall, subject to chapter 15, promulgate regulations governing the issuance of a certificate of need for regional recreation facilities. The regulations shall provide for the manner in which a local governmental unit, or agency thereof, may apply for a certificate of need, and for the process by which the council shall review the applications. The regulations shall include the factors to be considered in a decision whether to accept or reject an application for a certificate of need. Those factors shall include:*

(a) The need for particular types of regional recreation facilities in the metropolitan area;

(b) The extent to which this need can be met by existing regional recreation facilities;

(c) The relationship between the proposed facilities and other existing and proposed facilities in the metropolitan area;

(d) The level of governmental subsidy required to support the proposed facility.

Subd. 2. No regional recreation facility may be constructed or altered unless a certificate of need has been issued for the proposed facility by the council.

Sec. 16. [BLOOMINGTON; TAX LEVY.] *Subdivision 1. The city of Bloomington may add to the levy base determined for the purposes of Minnesota Statutes, Section 275.50 to 275.56, an amount equal to the revenue derived by the city in calendar year 1975 from the city tax imposed on tickets sold for admission to activities conducted at the metropolitan sports area.*

Sec. 17. [SALE OF METROPOLITAN SPORTS AREA LAND.] *Following the completion of the new sports facility under sections 8 to 16, the commission may sell up to 100 acres of the land at the metropolitan sports area, in a single parcel, or in smaller parcels, over a period of years. In the event that the approximately 47 acres of land retained by the commission at the metropolitan sports area is no longer used for a public purpose, the commission shall transfer all right, title, and interest to the real property to the cities of Bloomington and Richfield, in proportion to their population at the most recent federal decennial census, and shall cause all conveyances and other instruments to be executed, delivered, and recorded on their behalf which the commission, upon advice from counsel, deems necessary or desirable to transfer and convey to the city all of the commission's right, title, and interest in the real property. This section shall apply only if the arbitration panel in section 14 determines that a Minneapolis site will be used.*

Sec. 18. Minnesota Statutes, 1975 Supplement, Section 139.08, Subdivision 5, is amended to read:

Subd. 5. [REPORTS.] *By November 15 of each year, the board shall prepare and deliver to the legislature and the governor a report which shall include the following:*

(a) a financial statement showing receipts and disbursements for the year ending the preceding June 30, including a listing of the donors and amounts of gifts to the board or its advisory committees valued in excess of \$1,000;

(b) a brief description of the activities of the board for the preceding year;

(c) the number of meetings and approximate hours spent by board members in meetings and on other board activities;

(d) the names of board members and their addresses, occupations, and dates of appointment and re-appointment to the board;

(e) the names and job classifications of board employees;

(f) a brief summary of board rules proposed or adopted during the period with appropriate citations to the state register and published rules;

(g) the number of requests for assistance received by the board and the number of written and oral complaints received from residents of the state relating to the activities of the board or the performance of the duties of the board as provided in this chapter;

(h) a summary by category of the substance of the complaints and requests referred to in (g) above and the responses of the board thereto;

(i) a listing of all grants, loans or other forms of assistance given by the board. This listing shall indicate (1) the recipients of board assistance who are members of the board or its advisory committees, and (2) each recipient sponsoring organization having a member of the board or its advisory committees as a director, officer or employee. The indication required in clause (2) shall also specify the name of the member who is the officer, director or employee ;

(j) a summary of the local arts development program established pursuant to section 22, including a description of the membership, activities, and criteria and guidelines of each of the 13 regional arts task forces and a statement describing progress in achieving the purposes of the program;

(k) a summary of grants made to major arts organizations for general operating support under section 23 and a statement describing progress in achieving the purposes of the program of state grants for general operating support .

Sec. 19. Minnesota Statutes, 1975 Supplement, Section 139.10, Subdivision 1, is amended to read:

139.10 [DUTIES.] Subdivision 1. The board shall through the following activities stimulate and encourage the creation, performance and appreciation of the arts in the state:

(a) receive and consider any requests for grants, loans or other forms of assistance;

(b) advise and serve as a technical resource at the request of sponsoring organizations and political subdivisions in the state on programs relating to the arts;

(c) advise and recommend on existing or proposed activities of the departments of the state relating to the arts;

(d) accept gifts and grants to the board and distribute the same in accordance with the instructions of the donor insofar as the instructions are consistent with law;

(e) promulgate by rule procedures *consistent with this chapter* to be followed by the board in receiving and reviewing requests for grants, loans or other forms of assistance;

(f) promulgate by rule standards consistent with this chapter to be followed by the board in the distribution of grants, loans and other forms of assistance;

(g) distribute according to the above procedures and standards grants, loans and other forms of assistance for artistic activities to departments and agencies of the state, political subdivisions, sponsoring organizations and, in appropriate cases, to individuals engaged in the creation or performance of the arts; provided that a member of the board shall not participate in deliberations or voting on assistance to groups or persons in which that member has an interest as officer, director, employee or recipient;

(h) appoint advisory committees which the board determines are essential to the performance of its powers and duties under this section; provided that no member of an advisory committee shall within two years prior to his appointment have received or applied for in his own name a grant, loan or other form of assistance from the board or its predecessor ;

(i) establish a comprehensive statewide system of information and publicity about the arts and artistic activities;

(j) administer a program of state grants for the payment of touring costs for professional touring, provided that grants for touring made with funds from the local arts development program shall be made according to the provisions of section 22;

(k) administer a program of state grants for general operating support to major arts organizations, in accordance with this section and section 23;

(l) administer the program of local arts development established by section 22 .

Sec. 20. Minnesota Statutes, 1975 Supplement, Section 139.10, Subdivision 2, is amended to read:

Subd. 2. In performing the duties under subdivision 1, the board shall insofar as reasonably possible *in accordance with the provisions of chapter 139 and other applicable law* :

(a) avoid any actions which infringe on the freedom of artistic expression or which interfere with programs in the state which relate to the arts but which do not involve board assistance;

(b) distribute board assistance equitably according to population throughout the geographical regions of the state;

(c) give special consideration to requests for assistance for the creation or performance of types or variations of the arts which have yet to receive the level of general support and assistance given to the more established types or variations of the arts;

(d) distribute annually to individuals engaged in the creation or performance of the arts at least five percent of the moneys from the state's general fund appropriated to the board for each fiscal year.

Sec. 21. Minnesota Statutes, 1975 Supplement, Section 139.10, is amended by adding a subdivision to read:

Subd. 3. Every publication, program or other graphic material prepared by the board or prepared for use by any other organization in connection with an activity funded in whole or part by the board 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.

Sec. 22. Minnesota Statutes 1974, Chapter 139, is amended by adding a section to read:

[139.11] [LOCAL ARTS DEVELOPMENT PROGRAM.] *Subdivision 1. It is the purpose of the local arts development program to assist and encourage the arts and artistic expression within the various regions of the state and to improve and expand the opportunity to enjoy and participate in the arts in smaller cities and towns and in rural areas within each region.*

Subd. 2. Except as may be provided in accordance with subdivision 6, the regional development commissions established pursuant to section 462.387 and the metropolitan council established pursuant to section 473.123, in consultation with the board, shall create 13 regional arts task forces within regions designated pursuant to section 462.385 and the metropolitan area defined in section 473.121. Each task force shall be composed of no less than nine members, distributed so as to ensure equitable representation from all parts of the region or metropolitan area, including smaller cities and towns and rural areas. The membership of each task force shall include majority representation from the major art disciplines and shall also include local elected officials, provided that no organization shall be permitted more than one representative on the task force. At least one member of each task force shall be a member of the regional development commission or metropolitan council serving that region. Trustees or employees of major arts organizations receiving state grants from the board for general operating support shall not be eligible for membership on any task force.

Subd. 3. The regional arts task force shall advise and assist the board and the regional development commissions or metropolitan council on the design, development, implementation, and evaluation of the local arts development program. Each task force shall meet at least bi-monthly and shall review and make recommendations to the board on applications for grants under the program. Each task force, in consultation with the board and the regional development commission or metropolitan council, shall develop guidelines and criteria for funding projects, programs and organizations of artistic merit within the regions and shall submit the guidelines and criteria to the board and the regional development commission or metropolitan council for review and approval. Guidelines and criteria shall promote local arts development in all parts of the region or metropolitan area and shall ensure an equitable distribution of benefits to smaller cities and towns and rural areas. Guidelines and criteria may permit grants to organizations for general operating support, provided that a demonstration of operating efficiency and continuing increases in earned income and revenues derived from private contributions shall be required of applicants as a condition to receiving any such grant and provided further that no recipient of state grants for general operating support under any other program administered by the board shall be eligible for such grants under the local arts development program. At the end of each fiscal year, the board and each regional develop-

ment commission and the metropolitan council shall review and assess the adherence of each task force to its guidelines and criteria. The board or the regional development commission or metropolitan council may require modifications in the guidelines and criteria.

Subd. 4. Applications for grants under the local arts development program shall be made to the board, which shall forward copies of each application to the appropriate regional arts task force. The task force shall review each application on the basis of the criteria and guidelines established pursuant to subdivision 3 and shall recommend to the board whether the application should be granted. The recommendations of a task force whose guidelines and criteria are approved by the board pursuant to subdivision 3 shall be binding on the board, provided that grants made under the program shall be distributed by the board according to the populations of the respective regions.

Sec. 23. Minnesota Statutes 1974, Chapter 139, is amended by adding a section to read:

[139.12] [MAJOR ARTS ORGANIZATIONS; GENERAL OPERATING SUPPORT.] *Subdivision 1. It is the purpose of the program of state grants for general operating support to assist the major arts organizations in the state, to ensure a broader and more equitable distribution of benefits from such organizations to all areas of the state, and to promote activities by major arts organizations to bring their services to nonmetropolitan areas.*

Subd. 2. The board shall establish guidelines for the distribution of grants under this section. The guidelines shall include standards and criteria to ensure that recipients of grants provide public and educational services on a statewide or regional basis and are responsive to the needs of nonmetropolitan areas of the state.

Subd. 3. A demonstration of operating efficiency shall be required of applicants by the board as a condition of receiving any grant under this section. The receipt of state funds shall not result in a decrease in private support.

Subd. 4. Recipients of grants under this section shall be subject to the provision of Minnesota Statutes, Section 471.705.

Subd. 5. Grant moneys received under this act shall not be used for any capital expenditures or acquisition of real property.

Subd. 6. Notwithstanding the foregoing provisions for the establishment of regional arts task forces, in any or all of development regions 6E, 6W, or 8, the regional development commission may by resolution request that the Southwest Minnesota Arts and Humanities Council Incorporated perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task force for that region or regions. If a regional development commission or commissions shall so resolve, the council may perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task force for that region

or regions pursuant to Laws 1976, Chapter 3, Section 5, Subdivision 4; provided that nothing contained herein shall be construed to affect or impair authority of the council to accept or disburse other funds which may become available.

Sec. 24. [APPROPRIATION.] Subdivision 1. There is appropriated to the state arts board from the general fund in the state treasury the sum of \$2,800,000.

Subd. 2. Of the sum appropriated in subdivision 1, \$1,300,000 shall be administered by the board for grants for the purpose and in accordance with the provisions of the local arts development program established by section 22, except that no more than \$300,000 shall be available for grants within the metropolitan area defined in Minnesota Statutes, Section 473.121, and a sum not to exceed \$10,000 may be expended by each of the regional arts task forces for the purpose of assessing the needs and existing resources of the region and developing guidelines and criteria for funding projects, programs and organizations within the region.

Subd. 3. Of the remainder of the sum appropriated in subdivision 1, not less than \$1,000,000 nor more than \$1,300,000 shall be distributed by the board to major arts organizations for general operating support in accordance with the provisions of Minnesota Statutes, Section 139.10, and section 23.

Subd. 4. Not more than \$75,000 of the sum appropriated shall be available to the board for administration, provided however that none of these funds shall be used for salary expenditures of any arts task force or regional development commission.

Subd. 5. The appropriation in this section shall be effective July 1, 1976 and be available for the fiscal year ending June 30, 1977.

Sec. 25. Minnesota Statutes 1974, Section 340.11, Subdivision 11a, is repealed.

Sec. 26. Sections 1 to 17 of this act shall apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 27. This act shall be effective on the day following final enactment."

Further strike the title and insert:

"A bill for an act relating to cultural and recreational activities; changing the metropolitan parks and open space commission to the metropolitan parks, arts and recreation commission and prescribing its powers and duties; authorizing the metropolitan council to issue bonds and levy taxes therefor; authorizing the council to impose an admissions tax; authorizing the council to impose a tax on the sale of on-sale liquor in the metropolitan area; requiring the completion of an environmental impact statement and pollution control agency permits prior to construction of a new sports facility; establishing a panel to select a site; authorizing a liquor license for the commission; requiring a certificate of need for regional recreational facilities; providing for the distribution of

moneys to cultural and artistic organizations; appropriating money; amending Minnesota Statutes 1974, Chapters 139, by adding sections; 473, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 139.08, Subdivision 5; 139.10, Subdivisions 1 and 2 and by adding a subdivision; 473.121, Subdivisions 7 and 14; 473.147; 473.301; 473.302; and 473.303, Subdivision 1; repealing Minnesota Statutes 1974, Section 340.11, Subdivision 11a."

And when so amended, H. F. No. 2281 will be identical to S. F. No. 2096 and further recommends that H. F. No. 2281 be given its second reading and substituted for S. F. No. 2096 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.

SECOND READING OF HOUSE BILLS

H. F. No. 2281 was read the second time.

MOTIONS AND RESOLUTIONS SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved that the rules of the Senate be so far suspended as to make General Orders a Special Orders Calendar for immediate consideration. The motion prevailed.

SPECIAL ORDER

S. F. No. 2453: A bill for an act relating to taxation; changing the means of calculation and adjustment of levy limits in certain counties; adjusting population limits for communities exempt from levy limits; amending Minnesota Statutes, 1975 Supplement, Sections 275.51, Subdivision 3c; and 275.59.

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

The question being taken on the passage of the bill,

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

Those who voted in the affirmative were:

Anderson	Davies	Josefson	Olhoft	Sillers
Arnold	Doty	Keefe, J.	Olson, A. G.	Spear
Bang	Dunn	Kirchner	Olson, J. L.	Stassen
Berg	Frederick	Kleinbaum	O'Neill	Stokowski
Bernhagen	Gearty	Kowalczyk	Patton	Stumpf
Blatz	Hansen, Baldy	Larson	Perpich, A. J.	Tennessee
Brataas	Hansen, Mel	Lewis	Perpich, G.	Ueland
Brown	Hanson, R.	Milton	Pillsbury	Wegener
Chmielewski	Hughes	Moe	Renneke	Willet
Coleman	Humphrey	Nelson	Schmitz	
Conzemius	Jensen	Ogdahl	Schrom	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1397: A bill for an act relating to the creation of a legislative advisory task force; appropriating money.

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

The question being taken on the passage of the bill,

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

And the roll being called, there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Laufenburger	Olhoft	Solon
Blatz	Hansen, Baldy	Lewis	Olson, A. G.	Stokowski
Borden	Hughes	McCutcheon	Olson, H. D.	Stumpf
Brown	Humphrey	Milton	Perpich, A. J.	Wegener
Chenoweth	Keefe, J.	Moe	Perpich, G.	
Chmielewski	Keefe, S.	Nelson	Renneke	
Coleman	Kleinbaum	North	Schmitz	
Conzemius	Larson	Ogdahl	Schrom	

Those who voted in the negative were:

Arnold	Doty	Josefson	O'Neill	Tennessee
Bang	Dunn	Kirchner	Patton	Ueland
Berg	Frederick	Knutson	Pillsbury	Willet
Bernhagen	Hansen, Mel	Kowalczyk	Sillers	
Brataas	Hanson, R.	Merriam	Spear	
Davies	Jensen	Olson, J. L.	Stassen	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 1947: A bill for an act relating to taxation; providing for the assessment of dwelling units in certain buildings; amending Minnesota Statutes 1974, Section 273.133; and Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 12.

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

The question being taken on the passage of the bill,

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

Those who voted in the affirmative were:

Anderson	Dunn	Kirchner	Ogdahl	Schrom
Bang	Frederick	Kleinbaum	Olhoft	Sillers
Berg	Gearly	Knutson	Olson, H. D.	Spear
Bernhagen	Hansen, Baldy	Kowalczyk	Olson, J. L.	Stassen
Blatz	Hansen, Mel	Laufenburger	O'Neill	Stumpf
Borden	Hanson, R.	Lewis	Patton	Ueland
Brataas	Hughes	McCutcheon	Perpich, A. J.	Wegener
Chenoweth	Humphrey	Merriam	Perpich, G.	Willet
Chmielewski	Jensen	Moe	Pillsbury	
Conzemius	Keefe, J.	Nelson	Renneke	
Doty	Keefe, S.	North	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 2218: A bill for an act relating to the department of public welfare; providing for funding for detoxification programs; amending Minnesota Statutes 1974, Section 254A.08, Subdivision 3.

Mr. Moe for Mr. Tennesen moved that the amendment to H. F. No. 2218 by the Committee on Rules and Administration in the report adopted March 24, 1976, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 2218 was read the third time and placed on its final passage.

The question being taken on the passage of the bill,

And the roll being called, there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, S.	North	Schmitz
Arnold	Doty	Kirchner	Ogdahl	Schrom
Bang	Dunn	Kleinbaum	Olhoft	Sillers
Berg	Frederick	Knutson	Olson, A. G.	Spear
Bernhagen	Gearty	Kowalczyk	Olson, H. D.	Stokowski
Blatz	Hansen, Baldy	Laufenburger	Olson, J. L.	Stumpf
Borden	Hansen, Mel	Lewis	O'Neill	Tennesen
Brataas	Hanson, R.	McCutcheon	Patton	Ueland
Brown	Hughes	Merriam	Perpich, A. J.	Wegener
Chenoweth	Humphrey	Milton	Perpich, G.	Willet
Chmielewski	Jensen	Moe	Pillsbury	
Conzemius	Keefe, J.	Nelson	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1959 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1959

A bill for an act relating to health facilities; establishing an office of health facility ombudsman; appropriating money.

April 2, 1976

The Honorable Alec G. Olson
President of the Senate

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

We, the undersigned conferees for S. F. No. 1959 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1959 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [144A.51] [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 6 of this act, the terms defined in this section have the meanings given them.

Subd. 2. "Administrative agency" or "agency" means any division, official, or employee of a state or local governmental agency, but does not include:

- (a) Any member of the senate or house of representatives;**
- (b) The governor or his personal staff;**
- (c) Any instrumentality of the federal government of the United States; or**
- (d) Any court or judge.**

Subd. 3. "Director" means the director of the office of health facility complaints.

Subd. 4. "Health care provider" means any professional licensed by the state to provide medical or health care services who does provide the services to a resident of a health facility.

Subd. 5. "Health facility" means a facility or that part of a facility which is required to be licensed pursuant to Minnesota Statutes, Sections 144.50 to 144.58, and a facility or that part of a facility which is required to be licensed under any law of this state which provides for the licensure of nursing homes.

Subd. 6. "Resident" means any resident or patient of a health facility, or the guardian or conservator of a resident or patient of a health facility, if one has been appointed.

Sec. 2. [144A.52] [OFFICE OF HEALTH FACILITY COMPLAINTS.] Subdivision 1. The office of health facility complaints is hereby created in the department of health. The office shall be headed by a director appointed by the state board of health. The director shall report to and serve at the pleasure of the state board of health.

The commissioner of health shall provide the office of health facility complaints with office space, administrative services and secretarial and clerical assistance.

Subd. 2. The director may appoint a deputy director and one personal secretary to discharge the responsibilities of his office. Any deputy director or personal secretary shall serve at the director's pleasure and shall be in the unclassified service. All other employees of the office shall be classified employees of the state board of health.

Subd. 3. The director may delegate to members of his staff any of his authority or duties except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, health care providers, and the state board of health.

Subd. 4. The director shall attempt to include on his staff persons with expertise in areas such as law, health care, social

work, dietary needs, sanitation, financial audits, health-safety requirements as they apply to health facilities, and any other relevant fields. To the extent possible, employees of the office shall meet federal training requirements for health facility surveyors.

Sec. 3. [144A.53] [POWERS AND DUTIES OF DIRECTOR.]
Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to Minnesota Statutes, Chapter 15, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that he may not charge a fee for filing a complaint;

(b) Recommend legislation and changes in rules to the state board of health, legislature, governor, administrative agencies or the federal government;

(c) Investigate, upon a complaint or upon his own initiative, any action or failure to act by a health care provider or a health facility;

(d) Request and receive access to relevant information, records, or documents in the possession of an administrative agency, a health care provider, or a health facility which he deems necessary for the discharge of his responsibilities;

(e) Enter and inspect, at any time, a health facility; provided that the director shall not unduly interfere with or disturb the activities of a resident unless the resident consents;

(f) Issue a correction order pursuant to Minnesota Statutes, Section 144.653 or any other law which provides for the issuance of correction orders to health care facilities;

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;

(h) Assist residents of health facilities in the enforcement of their rights under Minnesota law; and

(i) Work with administrative agencies, health facilities, health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Subd. 2. [COMPLAINTS.] The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, or a health facility. He may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and his action upon them. After completing his investigation of a complaint, he shall inform the complainant, the administrative

agency having jurisdiction over the subject matter, the health care provider and the health facility of the action taken.

Subd. 3. [RECOMMENDATIONS.] If, after duly considering a complaint and whatever material he deems pertinent, the director determines that the complaint is valid, he may recommend that an administrative agency, a health care provider or a health facility should:

(a) Modify or cancel the actions which gave rise to the complaint;

(b) Alter the practice, rule or decision which gave rise to the complaint;

(c) Provide more information about the action under investigation; or

(d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider or health facility shall, within the time specified, inform the director about the action taken on his recommendation.

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board, the office of consumer services or any other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that any official or employee of an administrative agency or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state board of health, the commissioner of public welfare, an appropriate prosecuting authority, or any other appropriate agency.

Sec. 4. [144A.54] [PUBLICATION OF RECOMMENDATIONS; REPORTS.] Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of his conclusions and recommendations. The director shall transmit his conclusions and recommendations to the state board of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider or a health facility, the director shall consult with that agency, health care provider or facility. When publishing an opinion adverse to an administrative agency, a health care provider or a health facility, he shall include in the publication any statement of reasonable length made to him by that agency, health care provider or health facility in defense or explanation of the action.

Subd. 2. In addition to whatever other reports the director may make, he shall, at the end of each year, report to the state board of health and the legislature concerning the exercise of his functions during the preceding year. The state board of health may, at any time, request and receive information, other than resident records, from the director.

Subd. 3. In performing his duties under this act, the director shall preserve the confidentiality of resident records. He may release a resident's records with the written approval of the resident who is the subject of the records.

Sec. 5. [HEALTH DEPARTMENT COMPLAINT TEAM.] It is the intent of the legislature that the complaint team of the department of health be superseded by the office of health facility complaints and that funds currently allocated to the complaint team by the state board of health be allocated to the office of health facility complaints.

Sec. 6. [ADVISORY TASK FORCE.] The director of the office of health facility complaints shall appoint a 15 member task force to advise him in the establishment of the office under this act. The appointment, compensation and term of office of the members of the task force shall be governed by the provisions of Minnesota Statutes, Section 15.059, Subdivision 6.

Sec. 7. [APPROPRIATION.] The sum of \$67,000 is hereby appropriated from the general fund to the state board of health for the biennium ending June 30, 1977 for the purposes of sections 1 to 6 of this act.

Sec. 8. [144.97] [GRIEVANCE PROCEDURES.] Subdivision 1. [FACILITIES.] Every hospital licensed as such pursuant to Minnesota Statutes, Sections 144.50 to 144.56, and every outpatient surgery center shall establish a grievance or complaint mechanism designed to process and resolve promptly and effectively grievances by patients or their representatives related to billing, inadequacies of treatment, and other factors which may have an impact on the incidence of malpractice claims and suits.

For the purposes of sections 8 to 10 of this act, "outpatient surgery center" shall mean a free standing facility organized for the specific purpose of providing elective outpatient surgery for preexamined prediagnosed low risk patients. Services provided at an outpatient surgery center shall be limited to surgical procedures which utilize local or general anesthesia and which do not require overnight inpatient care. "Outpatient surgery center" does not mean emergency medical services, or physician or dentist offices.

Subd. 2. [PATIENT NOTICE.] Each patient receiving treatment at a hospital or an outpatient surgery center shall be notified of the grievance or complaint mechanism which is available to him.

Subd. 3. [RULES.] The state board of health shall, by January

1, 1977, establish by rule promulgated pursuant to Minnesota Statutes, Chapter 15:

(a) Minimum standards and procedural requirements for grievance and complaint mechanism;

(b) A list of patient complaints which may be processed through a complaint or grievance mechanism;

(c) The form and manner in which patient notices shall be made; and

(d) A schedule of fines, not to exceed \$200 per offense, for the failure of a hospital or outpatient surgery center to comply with the provisions of this section.

Subd. 4. [REPORTS.] Each hospital and outpatient surgery center, and every health maintenance organization required under Minnesota Statutes, Section 62D.11 to implement a complaint system, shall at least annually submit to the state board of health a report on the operation of its complaint or grievance mechanism. The frequency, form, and content of each report shall be as prescribed by rule of the state board of health. Data relating to patient records collected by the state board of health pursuant to this section shall be summary data within the meaning of Minnesota Statutes, Section 15.162, Subdivision 9. The state board of health shall collect, analyze and evaluate the data submitted by the hospitals, health maintenance organizations, and outpatient surgery centers; and shall periodically publish reports and studies designed to improve patient complaint and grievance mechanisms.

Sec. 9. [144.971] [IN-SERVICE TRAINING.] The state board of health shall study and publish recommendations for in-service personnel training programs designed to reduce the incidence of malpractice claims and suits against hospitals, outpatient surgery centers and health maintenance organizations regulated under Minnesota Statutes, Chapter 62D.

Sec. 10. [144.972] [INSURER REPORTS OF MEDICAL MALPRACTICE CLAIMS.] Subdivision 1. On or before September 1, 1976, and on or before March 1 and September 1 of each year thereafter, each insurer providing professional liability insurance to one or more hospitals, outpatient surgery centers, or health maintenance organizations, shall submit to the state board of health a report listing by facility or organization all claims which have been closed by or filed with the insurer during the period ending December 31 of the previous year or June 30 of the current year. The report shall contain, but not be limited to, the following information:

(a) The total number of claims made against each facility or organization which were filed or closed during the reporting period;

(b) The date each new claim was filed with the insurer;

(c) The allegations contained in each claim filed during the reporting period;

(d) The disposition and closing date of each claim closed during the reporting period;

(e) The dollar amount of the award or settlement for each claim closed during the reporting period; and

(f) Any other information the board of health may, by rule, require.

Any hospital, outpatient surgery center, or health maintenance organization which is self insured shall be considered to be an insurer for the purposes of this section and shall comply with the reporting provisions of this section.

A report from an insurer submitted pursuant to this section is private data, as defined in Minnesota Statutes, Section 15.162, Subdivision 5a, accessible to the facility or organization which is the subject of the data, and to its authorized agents. Any data relating to patient records which is reported to the state board of health pursuant to this section shall be reported in the form of summary data, as defined in Minnesota Statutes, Section 15.162, Subdivision 9.

Subd. 2. The state board of health shall collect and review the data reported pursuant to subdivision 1. On December 1, 1976, and on January 2 of each year thereafter, the state board of health shall report to the legislature its findings related to the incidence and size of malpractice claims against hospitals, outpatient surgery centers, and health maintenance organizations, and shall make any appropriate recommendations to reduce the incidence and size of the claims. Data published by the state board of health pursuant to this subdivision with respect to malpractice claims information shall be summary data within the meaning of Minnesota Statutes, Section 15.162, Subdivision 9.

Subd. 3. The state board of health shall have access to the records of any insurer relating to malpractice claims made against hospitals, outpatient surgery centers, and health maintenance organizations in years prior to 1976 if it determines the records are necessary to fulfill its duties under this act.

Sec. 11. [EFFECTIVE DATE.] Section 2, subdivision 1, and section 10 are effective the day following final enactment. The remainder of sections 1 to 7 is effective upon appointment of the director of the office of health facility complaints. Sections 8 and 9 are effective on January 1, 1977 or upon the promulgation of rules pursuant to section 8, subdivision 3, whichever occurs first."

Further, strike the title and insert:

"A bill for an act relating to health; establishing an office of nursing home complaints; requiring the establishment of health care facility grievance procedures; providing for the reporting of malpractice claims to the state board of health; authorizing studies of in-service training for health care facility personnel; appropriating money."

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

Senate Conferees: (Signed) Steve Keefe, John Milton, Nancy Brataas.

House Conferees: (Signed) James C. Swanson, Linda L. Berglin, O. J. Heinitz.

Mr. Keefe, S., moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1959 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. 1959: A bill for an act relating to health facilities; establishing an office of health facility ombudsman; appropriating money.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doty	Kirchner	Ogdahl	Schrom
Arnold	Dunn	Kleinbaum	Olhoff	Sillers
Berg	Frederick	Knutson	Olson, A. G.	Spear
Bernhagen	Gearty	Kowalczyk	Olson, H. D.	Stassen
Blatz	Hansen, Baldy	Laufenburger	Olson, J. L.	Stokowski
Borden	Hansen, Mel	Lewis	O'Neill	Stumpf
Brataas	Hanson, R.	McCutcheon	Patton	Ueland
Brown	Hughes	Merriam	Perpich, A. J.	Wegener
Chmielewski	Humphrey	Milton	Perpich, G.	Willet
Coleman	Jensen	Moe	Pillsbury	
Conzemius	Keefe, J.	Nelson	Renneke	
Davies	Keefe, S.	North	Schmitz	

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

MEMBERS EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S. F. No. 819:

Messrs. Stumpf; Keefe, S.; Tennessen; Brown and Fitzsimons. The motion prevailed.

SPECIAL ORDER

H. F. No. 2489: A bill for an act relating to highway traffic regulations; special permits for oversize and overweight vehicles; authorizing an annual permit for refuse compactor vehicles and prescribing maximum loads thereon; providing a fee therefor; redefining farm trucks; amending Minnesota Statutes 1971, Section 168.011, Subdivision 17, as amended; and Minnesota Statutes 1974, Section 169.86, Subdivision 5; repealing Minnesota Statutes 1974, Section 169.831.

Mr. Chmielewski moved to amend H. F. No. 2489 as follows:

Page 1, line 24, strike "\$25" and insert "\$100"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H. F. No. 2489 as follows:

Page 3, after line 15, insert a new section to read:

"Sec. 3. *Notwithstanding any law to the contrary, a refuse compactor*

vehicle taxed and licensed as an urban truck pursuant to section 168.013 may operate within the towns of Oak Grove and Burns in Anoka County. This section expires January 1, 1977."

Renumber remaining sections

Amend the title as follows:

Page 1, line 2, strike "highway traffic regulations" and insert "motor vehicles"

Page 1, line 6, after the final semicolon, insert "allowing certain vehicles licensed as urban trucks to operate in the towns of Oak Grove and Burns in Anoka County;"

The motion prevailed. So the amendment was adopted.

H. F. No. 2489 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, J.	North	Schmitz
Arnold	Doty	Kleinbaum	Ogdahl	Schrom
Bang	Dunn	Knutson	Olhott	Sillers
Berg	Frederick	Kowalczyk	Olson, H. D.	Spear
Bernhagen	Gearty	Laufenburger	Olson, J. L.	Stassen
Blatz	Hansen, Baldy	Lewis	O'Neill	Stokowski
Brataas	Hansen, Mel	McCutcheon	Patton	Ueland
Brown	Hanson, R.	Merriam	Perpich, A. J.	Wegener
Chmielewski	Hughes	Milton	Perpich, G.	Willet
Coleman	Humphrey	Moe	Pillsbury	
Conzemius	Jensen	Nelson	Renneke	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 320 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 320

A bill for an act relating to taxation; increasing the percentage of unrefunded gasoline excise taxes attributable to snowmobile operation; appropriating money; amending Minnesota Statutes 1974, Sections 296.16, Subdivision 1; and 296.421, Subdivisions 6 and 7.

April 2, 1976

The Honorable Alec G. Olson
President of the Senate

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

We, the undersigned conferees for S. F. No. 320 report that we have agreed upon the items in dispute and recommend as follows:

That S. F. No. 320 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1974, Section 296.16, Subdivision 1, is amended to read:

296.16 [USE IN MOTOR VEHICLES.] Subdivision 1. [INTENT.] All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state. ~~It is hereby found and determined that~~ Approximately three fourths of one percent of all gasoline received in this state and three fourths of one percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motor boats on the waters of this state and ~~that~~ of the total revenue derived from the imposition of the gasoline fuel tax for uses other than in motor boats, three fourths of one percent of such revenues is the amount of tax on fuel used in motor boats operated on the waters of this state. ~~It is further found and determined that~~ Approximately ~~three-eighths~~ *three fourths* of one percent of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and ~~that~~ of the total revenue derived from the imposition of the gasoline fuel tax for uses other than in snowmobiles, ~~three-eighths~~ *three fourths* of one percent of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Sec. 2. [APPROPRIATION.] *There is appropriated from the general fund to the commissioner of natural resources for the biennium ending June 30, 1977, the sum of \$1,300,000 for the following purposes:*

(a) *30 percent shall be paid in grants in aid to local units of government for purposes of enforcement of laws relating to recreational trail usage and for the construction of recreational trails.*

(b) *40 percent shall be allocated by the commissioner for the provision and maintenance of snowmobile trails and trails to be used exclusively for non-motorized recreation.*

(c) *30 percent shall be allocated by the commissioner for the provision of access to snowmobile trails and the provision of snowmobile areas in those parts of the state where trails prove unfeasible to provide.*

No more than ten percent of this appropriation shall be used for central staff administration.

This appropriation is intended to approximate the amount of tax paid on gasoline used as fuel for the operation of snowmobiles in this state but paid into the highway user distribution fund for highway purposes. It is based on the assumption that approximately three-fourths of one percent of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state.

This appropriation is in addition to and not in replacement for all other appropriations for recreational trails, including appropriations to match snowmobile license fee receipts.

The commissioner of natural resources shall exercise care and discretion in establishing snowmobile trails to the end that the trails will be distributed equitably throughout the state for the recreational use of the people and the preservation of natural wild areas.

Sec. 3. Minnesota Statutes 1974, Section 296.421, Subdivisions 6 and 7, are repealed.

Sec. 4. *This act is effective the day following final enactment.*"

Further strike the title and insert:

"A bill for an act relating to taxation; increasing the percentage of unrefunded gasoline excise taxes attributable to snowmobile operation; appropriating money; amending Minnesota Statutes 1974, Section 296.16, Subdivision 1; repealing Minnesota Statutes 1974, Section 296.421, Subdivisions 6 and 7."

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

Senate Conferees: (Signed) Wayne Olhoft, Gerald L. Willet, Richard W. Fitzsimons

House Conferees: (Signed) Norman R. Prah, Willis R. Eken, M. J. McCauley

Mr. Olhoft moved that the foregoing recommendations and Conference Committee Report on S. F. No. 320 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. 320: A bill for an act relating to taxation; increasing the percentage of unrefunded gasoline excise taxes attributable to snowmobile operation; appropriating money; amending Minnesota Statutes 1974, Sections 296.16, Subdivision 1; and 296.421, Subdivisions 6 and 7.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Coleman moved that the Senate do now recess until 1:15 o'clock p.m. The motion prevailed.

The hour of 1:15 o'clock p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Pursuant to Rule 21, Mr. Arnold moved that the following members be excused for a Conference Committee on S. F. No. 1963:

Messrs. Arnold, Blatz and Merriam. The motion prevailed.

Pursuant to Rule 21, Mr. Milton moved that the following members be excused for a Conference Committee on S. F. No. 1615:

Messrs. Milton; Perpich, A. J. and Willet. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE—CONTINUED

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. 60, and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 60: A bill for an act relating to insurance; providing for the establishment and administration of plans of health insurance to provide certain minimum benefits to all persons in the state; creating a comprehensive health care association; providing a dual option for health care for certain employees; regulating health maintenance organizations' coverage of dental services and conversion privileges; appropriating money; amending Minnesota Statutes 1974, Section 62D.12, by adding a subdivision.

Senate File No. 60 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1976

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. 2025, and repassed said bill in accordance with the report of the Committee, so adopted:

S. F. No. 2025: A bill for an act relating to nursing homes; requiring training for certain nursing assistants; providing a penalty.

Senate File No. 2025 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1976

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. North 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. 2281 and that the rules of the Senate be so far suspended as to give H. F. No. 2281, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H. F. No. 2281: A bill for an act relating to cultural and recreational activities; prescribing powers and duties of the state board of arts; establishing a local arts development program and a program of general operating support for major arts institutions; requiring a certificate of need for construction of certain new public regional sports and auditorium facilities; creating an arbitration panel and prescribing its powers and duties; creating the metropolitan sports facilities commission and prescribing its powers and duties; requiring the television broadcast within the metropolitan area of certain games; authorizing the metropolitan council to issue bonds and levy taxes; providing for the construction and operation of a sports facility; authorizing a tax on certain sales of intoxicating liquor and fermented malt beverages in the metropolitan area; providing for admissions tax at certain facilities; requiring the completion of an environmental impact statement prior to construction of a sports facility; providing for a tax levy; appropriating money; amending Minnesota Statutes 1974, Chapters 139 and 473, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 139.08, Subdivision 5; 139.10, Subdivisions 1 and 2 and by adding a subdivision; repealing Minnesota Statutes 1974, Section 340.11, Subdivision 11a.

Mr. North moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 14, line 23, after *"that the"* insert *"bonds may be sold at any price and the average annual rate of"* and strike *"rates"*

Page 14, line 24, strike *"shall be limited to"* and insert *"(including discount) may equal but may not exceed"*

Page 14, line 25, strike *"at any price and"*

Page 17, line 10, after *"except"* insert *"revenues described in"*

Page 17, line 11, after *"thereof"* insert *"and received after July 1 1977"*

Page 17, line 18, after *"facilities"* insert *"and, with any bond proceeds deposited in debt service funds and earnings from the investment thereof"*

Page 17, line 19, after *"bonds"* strike *"referred to in this subdivision"* and insert *"to be issued pursuant to this section"* and after *"and"* insert *"all bonds referred to"*

Page 18, line 5, strike *"1"* and insert *"11"*

Page 18, line 10, before *"bonds"* insert *"revenue"*

Page 18, line 17, strike *"these"* and insert *"said revenue"*

Page 20, line 2, strike *"and the property mortgaged"*

Page 20, line 6, strike "*mortgage*" and insert "*security interest*"

Page 22, strike the sentence beginning on line 8 and ending on line 15 and insert:

"The council is authorized to impose a one percent tax on the gross receipts from all on-sale sales at retail, exclusive of the general sales and use taxes imposed in chapter 297A, of intoxicating liquor and fermented malt beverages at licensed on-sale liquor establishments, as those terms are defined in chapter 340, within the metropolitan area."

Page 22, line 22, strike "*to be distributed as provided in section 13*"

Page 25, line 27, after "*avenue*" insert "*south*" and after "*street*" insert "*south*"

Page 26, line 3, before the period insert "*or from the revenues received under section 11*"

Page 26, line 21, strike "*all relevant*"

The motion prevailed. So the amendment was adopted.

Mr. North then moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 9, line 21, after the period, insert "*Any such person, firm, or corporation shall certify, before the contracts are finally signed, a total construction price to the commission and shall post a bond in the amount of \$5,000,000 to cover any costs which may be incurred over and above the certified price.*"

Page 10, after line 23, insert a new subdivision to read:

"Subd. 14. The commission shall, on a quarterly basis, reimburse the council for any costs incurred by the council in carrying out its functions relating to the commission under sections 3 and 10, and sections 473.161 and 473.163."

Renumber the subdivisions in sequence

Page 14, line 24, strike "*7½*" and insert "*8*"

Page 15, line 20, before "*each*" insert "*and (i)*"

Page 16, line 4, before the period insert "*; (ii) each agreement shall provide for the pledge by the team of their franchise and player contracts as security for the performance by the club of their obligations under the agreements; and (iii) each agreement shall specify that the team shall, except as approved by the commission, use the sports facility for all scheduled regular season home games and play-off and championship home games, and, in the case of the football organization, for at least one half of its exhibition games played in each two year period; and*

(b) the environmental impact statement required in section 12 has been accepted by the environmental quality council"

Page 17, strike lines 4 to 5 and insert

"(f) There are adequate provisions for traffic circulation at the stadium

site and the commission has consulted with the project area committees of the neighborhoods within one half mile of the sports facility on the plan for traffic circulation and parking, including a public hearing on the plan conducted in the affected neighborhoods by the commission;

(g) Any facilities planned for the area to the east of trunk highway 394 in the city of Minneapolis shall be consistent with the plan of the city of Minneapolis for the Cedar Riverside urban renewal area;

(h) agreements have been executed by appropriate labor organizations and construction contractor organizations that no labor strike or management lockouts will halt, delay or impede construction;"

Reletter the paragraphs in sequence

Page 20, line 24, before the period insert "*; provided that the council may, prior to the adoption of the first annual budget of the commission under section 473.163, authorize up to \$300,000 in revenue anticipation certificates under this subdivision*"

Page 22, strike line 4 after "*subdivision 3,*" and insert "*shall be imposed at a rate not less than 10 percent and not more than 15 percent*"

Page 22, strike line 5 before the period

Page 23, line 1, after the period, insert "*For purposes of this subdivision, the term "metropolitan area" shall not include that portion of the city of New Prague that is located in Scott county and also shall not include those portions of the city of Hanover and the city of Rockford that are located in Hennepin county.*"

Page 23, line 19, after the period, insert "*Agreements with the university of Minnesota shall provide that the university shall use the stadium, without charge, for intercollegiate athletic events.*"

Pages 26 and 27, strike all of section 15 and insert:

"Sec. 15. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.358] [CERTIFICATE OF NEED FOR NEW PUBLIC REGIONAL SPORTS AND AUDITORIUM FACILITIES.] *Subdivision 1. The council shall, subject to chapter 15, promulgate regulations governing the issuance of a certificate of need for new publicly financed sports facilities and indoor public assembly facilities with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars.*

The regulations shall provide for the manner in which a local governmental unit, or agency thereof, may apply for a certificate of need, and for the process by which the council shall review the applications. The regulations shall include the factors to be considered in a decision whether to accept or reject an application for a certificate of need. Those factors shall include:

(a) the need for the particular new public sports or indoor public assembly facility proposed;

(b) the extent to which this need can be met by existing facilities;

(c) the relationship between the proposed facility and other existing and proposed facilities in the metropolitan area;

(d) the level of governmental subsidy required to support the proposed facility.

Subd. 2. No new publicly financed sports facility or indoor public assembly facility with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars may be constructed unless a certificate of need has been issued for the proposed facility by the council."

Page 28, line 3, strike "of Bloomington and Richfield"

Mr. Chenoweth moved to amend the second North amendment to H. F. No. 2281 as follows:

Strike the amendment to page 14, line 24 of the second North amendment

The question being taken on the adoption of the Chenoweth amendment to the second North amendment,

And the roll being called, there were yeas 35 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Humphrey	Milton	Renneke
Ashbach	Conzemius	Keefe, J.	Moe	Schrom
Bang	Davies	Kirchner	Olhoft	Spear
Berg	Dunn	Knutson	Olson, A. G.	Stumpf
Bernhagen	Hansen, Baldy	Kowalczyk	Olson, J. L.	Tennessen
Brown	Hansen, Mel	Larson	Patton	Wegener
Chenoweth	Hughes	McCutcheon	Perpich, G.	Willet

Those who voted in the negative were:

Borden	Jensen	Lewis	O'Neill	Schmitz
Brataas	Keefe, S.	North	Perpich, A. J.	Sillers
Doty	Kleinbaum	Ogdahl	Pillsbury	Stassen
Frederick	Laufenburger	Olson, H. D.	Schaaf	Ueland
Gearty				

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Kirchner requested division of the second North amendment as follows,

First portion, as amended by the Chenoweth amendment:

Page 9, line 21, after the period, insert "Any such person, firm, or corporation shall certify, before the contracts are finally signed, a total construction price to the commission and shall post a bond in the amount of \$5,000,000 to cover any costs which may be incurred over and above the certified price."

Page 10, after line 23, insert a new subdivision to read:

"Subd. 14. The commission shall, on a quarterly basis, reimburse the council for any costs incurred by the council in carrying out its functions relating to the commission under sections 3 and 10, and sections 473.161 and 473.163."

Renumber the subdivisions in sequence

Page 15, line 20, before "each" insert "and (i)"

Page 16, line 4, before the period insert "; (ii) each agreement shall provide for the pledge by the team of their franchise and player contracts as security for the performance by the club of their obligations under the agreements; and (iii) each agreement shall specify that the team shall, except as approved by the commission, use the sports facility for all scheduled regular season home games and play-off and championship home games, and, in the case of the football organization, for at least one half of its exhibition games played in each two year period; and

(b) the environmental impact statement required in section 12 has been accepted by the environmental quality council"

Page 17, strike lines 4 to 5 and insert

"(f) There are adequate provisions for traffic circulation at the stadium site and the commission has consulted with the project area committees of the neighborhoods within one half mile of the sports facility on the plan for traffic circulation and parking, including a public hearing on the plan conducted in the affected neighborhoods by the commission;

(g) Any facilities planned for the area to the east of trunk highway 394 in the city of Minneapolis shall be consistent with the plan of the city of Minneapolis for the Cedar Riverside urban renewal area;

(h) agreements have been executed by appropriate labor organizations and construction contractor organizations that no labor strike or management lockouts will halt, delay or impede construction;"

Reletter the paragraphs in sequence

Page 20, line 24, before the period insert "; provided that the council may, prior to the adoption of the first annual budget of the commission under section 473.163, authorize up to \$300,000 in revenue anticipation certificates under this subdivision;"

Page 22, strike line 4 after "subdivision 3," and insert "shall be imposed at a rate not less than 10 percent and not more than 15 percent"

Page 22, strike line 5 before the period

Page 23, line 1, after the period, insert "For purposes of this subdivision, the term "metropolitan area" shall not include that portion of the city of New Prague that is located in Scott county and also shall not include those portions of the city of Hanover and the city of Rockford that are located in Hennepin county."

The motion prevailed. So the first portion of the amendment was adopted.

Second portion:

Page 23, line 19, after the period, insert "Agreements with the uni-

versity of Minnesota shall provide that the university shall use the stadium, without charge, for intercollegiate athletic events."

Pages 26 and 27, strike all of section 15 and insert:

"Sec. 15. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.358] [CERTIFICATE OF NEED FOR NEW PUBLIC REGIONAL SPORTS AND AUDITORIUM FACILITIES.] *Subdivision 1. The council shall, subject to chapter 15, promulgate regulations governing the issuance of a certificate of need for new publicly financed sports facilities and indoor public assembly facilities with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars.*

The regulations shall provide for the manner in which a local governmental unit, or agency thereof, may apply for a certificate of need, and for the process by which the council shall review the applications. The regulations shall include the factors to be considered in a decision whether to accept or reject an application for a certificate of need. Those factors shall include:

(a) the need for the particular new public sports or indoor public assembly facility proposed;

(b) the extent to which this need can be met by existing facilities;

(c) the relationship between the proposed facility and other existing and proposed facilities in the metropolitan area;

(d) the level of governmental subsidy required to support the proposed facility.

Subd. 2. No new publicly financed sports facility or indoor public assembly facility with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars may be constructed unless a certificate of need has been issued for the proposed facility by the council."

Page 28, line 3, strike "of Bloomington and Richfield"

The motion prevailed. So the second portion of the amendment was adopted.

Mr. Olson, A. G. moved to amend H. F. 2281 as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.354] *Subdivision 1. An arbitration panel shall be created to determine the location and general design specifications for a new multi-purpose sports facility in the metropolitan area.*

The panel shall select one of two sites: (a) the metropolitan sports area and the area adjacent thereto; or (b) the area within three-fourths of a mile of the intersection of 12th avenue and second street in the city of Minneapolis. The panel shall be composed of three impartial members appointed by the governor.

Subd. 2. The panel may contract for staff and consultant services as needed to perform its duties.

Subd. 3. The general design specifications for the sports facility shall at least meet the minimum general design specifications listed in Appendix A of the report of the state planning agency, entitled "A Report on Sport Stadium Proposals" and dated February, 1976.

Subd. 4. The panel shall hold a series of hearings in both outstate and metropolitan Minnesota. The hearings shall be open to the public and shall be held after appropriate public notice. The purpose of the hearings is to receive public testimony on all factors relating to the choice of location for the facility.

Subd. 5. Within 30 days following the acceptance by the environmental quality council of the environmental impact statements required by section 2, the arbitration panel shall, by a majority vote, make a site selection. Their decision shall be reported to the legislature, the governor, and the metropolitan council. In making their decision, the panel shall consider all relevant factors bearing on the site selection, including but not limited to the environmental impact statements and highway study required in section 2, the design features unique to each site, and the testimony at the public hearings.

Sec. 2. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.355] [ENVIRONMENTAL IMPACT STATEMENT.] *Subdivision 1. Environmental impact statements fulfilling the requirements of section 116D.04 shall be completed for each stadium site specified in section 1, subdivision 1, within ten months of the effective date of this act. Each environmental impact statement shall include a study of the costs and methods for the control of traffic within and immediately outside of the stadium site. The environmental impact statements shall be prepared by the state planning agency. The draft environmental impact statements shall be submitted to the environmental quality council within 120 days of the effective date of this act. The provisions of this section shall apply to the construction of a new multi-purpose sports facility, notwithstanding any contrary provisions of section 116D.04 or any regulations issued pursuant thereto.*

Subd. 2. The state planning agency in coordination with the highway department, shall conduct a study of the estimated capital costs of construction or modification of any roads or highways necessitated by the construction of a new stadium. The study shall be completed within six months of the effective date of this act.

Sec. 3. [APPROPRIATION.] *There is appropriated from the general fund to the commissioner of administration the sum of \$1,000,000 for the purposes of this act.*

Sec. 4. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

Amend the title as follows:

Line 2, strike "cultural and"

Strike lines 3 to 27 and insert "creating an arbitration panel to

determine location and specifications for a multi-purpose sports facility in the metropolitan area; prescribing duties; requiring an environmental impact statement; appropriating money; amending Minnesota Statutes 1974, Chapter 473, by adding sections."

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Arnold	Blatz	Keefe, J.	Moe	Patton
Ashbach	Borden	Knutson	Olhoff	Schrom
Bang	Brown	Larson	Olson, A. G.	Spear
Berg	Davies	McCutcheon	Olson, H. D.	Willet
Bernhagen	Hansen, Baldy	Milton	Olson, J. L.	

Those who voted in the negative were:

Anderson	Gearty	Kowalczyk	Perpich, G.	Stokowski
Brataas	Hansen, Mel	Lewis	Pillsbury	Stumpf
Chenoweth	Hughes	Merriam	Renneke	Tennessen
Coleman	Humphrey	Nelson	Schaaf	Ueland
Conzernius	Jensen	North	Schmitz	Wegener
Doty	Keefe, S.	Ogdahl	Sillers	
Dunn	Kirchner	O'Neill	Solon	
Frederick	Kleinbaum	Perpich, A. J.	Stassen	

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

Mr. Brown moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 37, after line 5, insert:

"Sec. 25. [APPROPRIATION.] *Subdivision 1. There is appropriated from the general fund in the state treasury to the commissioner of administration for construction and other permanent improvements at the Minnesota veterans home the sums set forth in this section.*

Subd. 2. Construct and equip a nursing care facility of approximately 250 beds plus dining facilities for the total home. Cost to include planning and demolition of buildings 1, 2, and laundry building.

State share \$1,925,000

Subd. 3. Fire protection, air conditioning, and bathroom modification, nursing care unit.

State share \$ 66,150

Subd. 4. Fire protection, building 16, and centralized call system for home.

State share \$ 40,000"

Renumber the sections

Amend the title as follows:

Line 2, strike "and" and insert a comma

Line 2, after "recreational" insert "and welfare"

Line 19, after "organizations;" insert "authorizing capital improvements to the Minnesota veterans home;"

The Chair put the question on whether or not the amendment was in order.

And the roll being called, there were yeas 36 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Davies	Keefe, S.	Olson, A. G.	Stassen
Bang	Frederick	Kirchner	Olson, H. D.	Stumpf
Berg	Gearty	Kleinbaum	Olson, J. L.	Wegener
Bernhagen	Hansen, Baldy	Knutson	Patton	Willet
Blatz	Hansen, Mel	McCutcheon	Renneke	
Borden	Hughes	Milton	Schaaf	
Brown	Humphrey	Moe	Schrom	
Coleman	Keefe, J.	Olhoft	Spear	

Those who voted in the negative were:

Brataas	Merriam	Ogdahl	Perpich, G.	Schmitz
Conzemius	Nelson	O'Neill	Pillsbury	Sillers
Dunn	North	Perpich, A. J.		

The question was decided in the affirmative. So the amendment was in order.

The question being taken on the adoption of the amendment,

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 7, line 28, before the period, insert ", and may not be exercised by the commission in the area within the city of Minneapolis and east of trunk highway 394"

The motion prevailed. So the amendment was adopted.

Mr. Lewis moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

Page 10, after line 28, insert:

"Subd. 15. In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 9, 10, or 13 of this section, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16.081 to 16.084. The

commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16.085, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16.086."

The motion prevailed. So the amendment was adopted.

Mr. Lewis then moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

Page 10, after line 28, insert:

"Subd. 16. The commission shall require that each party with whom it contracts for services for construction, concessions, and operation of a sports facility pursuant to subdivisions 5, 9, 10, or 13 of this section shall have an affirmative action plan for the employment of minority persons that has been approved by the commissioner of human rights."

The motion prevailed. So the amendment was adopted.

Mr. Brown moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 2, line 22, strike the new language

Page 3, line 4, strike "and sports"

Page 4, line 17, strike "17" and insert "8"

Pages 5 and 6, strike all of subdivisions 6 to 12

Page 6, lines 8 and 9, strike "and for additional sports facilities"

Page 6, line 19, strike "including sports facilities,"

Page 6, line 23, strike "including sports facilities,"

Pages 7 and 8, strike all of subdivisions 3 and 4

Page 9, line 15, strike "; except that the commission with the"

Page 9, strike lines 16 to 20

Page 9, line 21, strike "facility project"

Page 9, line 30, strike ", and sports"

Pages 9 and 10, strike all of subdivisions 12 to 14

Renumber the subdivisions

Pages 10 to 12, strike all of section 8

Page 12, line 21, strike "Subdivision 1."

Page 12, line 30, strike all the language after the period

Page 12, strike lines 31 and 32

Page 13, strike lines 1 to 31

Pages 13 to 28, strike all of sections 10 to 17

Renumber the sections

Page 29, line 21, strike "22" and insert "13"

Page 29, line 27, strike "23" and insert "14"

Page 31, line 14, strike "22" and insert "13"

Page 31, line 17, strike "23" and insert "14"

Page 31, line 19, strike "22" and insert "13"

Page 36, line 15, strike "22" and insert "13"

Page 36, line 29, strike "23" and insert "14"

Page 37, line 8, strike "17" and insert "8"

Amend the title as follows:

Line 6, strike "authorizing the metropolitan council"

Strike lines 7 to 16

Line 17, strike "recreational facilities; "

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 14 and nays 38, as follows:

Those who voted in the affirmative were:

Arnold	Hansen, Baldy	Olson, A. G.	Schrom	Tennessee
Brown	Keefe, J.	Patton	Spear	Willet
Davies	McCutcheon	Schaaf	Stumpf	

Those who voted in the negative were:

Anderson	Frederick	Kleinbaum	Nelson	Schmitz
Ashbach	Gearty	Knutson	North	Sillers
Bang	Hansen, Mel	Kowalczyk	Olhoff	Stassen
Bernhagen	Hughes	Larson	O'Neill	Stokowski
Blatz	Humphrey	Lewis	Perpich, A. J.	Ueland
Brataas	Jensen	Merriam	Perpich, G.	Wegener
Conzemius	Keefe, S.	Milton	Pillsbury	
Dunn	Kirchner	Moe	Renneke	

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

Mr. Renneke moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 2, line 1, strike "and" and insert a comma

Page 2, line 1, after "recreation" insert "and open space"

Page 2, line 15, after "arts" insert ", recreation"

Page 2, line 15, restore the stricken language

Page 2, line 16, strike "recreation"

Page 4, line 28, after "arts" insert ", recreation"

Page 4, line 28, restore the stricken language

Page 4, line 28, strike "*recreation*"

Page 6, line 27, strike "*and*" and insert a comma

Page 6, line 28, after "*recreation*" insert "*and open space*"

Page 7, line 6, after "*arts*" insert "*, recreation*"

Page 7, line 6, restore the stricken language

Page 7, line 6, strike "*recreation*"

Amend the title as follows:

Line 4, strike "*and*" and insert a comma

Line 5, after "*recreation*" insert "*and open space*"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 17, line 5, before the semicolon insert "*without the expenditure of federal aid interstate or federal aid urban funds, unless the funds may be utilized without delaying the construction of Interstate 35E, or the construction on State Highway 36 south of Interstate 494*"

The motion prevailed. So the amendment was adopted.

Mr. Conzemius moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 1, line 34, strike the comma

Page 2, line 1, strike "*arts*"

Page 2, line 15, strike "*, arts*"

Page 2, line 20, strike "*arts*"

Page 3, line 3, strike "*arts,*"

Page 4, line 27, strike the comma

Page 4, line 28, strike "*arts*"

Page 6, line 7, strike the comma

Page 6, line 8, strike "*arts*"

Page 6, line 18, strike "*, arts*"

Page 6, line 22, strike "*arts facilities,*"

Page 6, line 27, strike “, arts”

Page 7, line 6, strike “, arts”

Page 28, after line 12, insert:

“Sec. 18. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.359] [CULTURAL AND ARTISTIC INSTITUTIONS.]
Subdivision 1. The legislature finds that cultural and artistic institutions with headquarters in the metropolitan area serve the regional public interest by enhancing the educational environment and improving the living conditions; that these cultural institutions have a substantial economic impact in the communities served by them; and that these institutions should be provided with means to assist them in maintaining facilities with which to provide services to the public. The legislature further declares that certain regional cultural and artistic institutions enumerated in this section are particularly essential for the public interest of the metropolitan area.

Subd. 2. Money appropriated to the state arts board in section 24, subdivision 2, shall be distributed to cultural and artistic institutions headquartered in the metropolitan area for operation and maintenance costs of their facilities, or the facilities in which they perform. The revenues shall be allocated by the board according to the following percentages:

	Percent
<i>The Minneapolis Society of Fine Arts, for The Minneapolis Institute of Arts, 15 percent, and the Children's Theatre Company, 10 percent</i>	25
<i>The St. Paul Ramsey Arts and Sciences Council for the Arts and Sciences Council, 19 percent, and the St. Paul Philharmonic Society, 2 percent, except that the funding for the Philharmonic Society by the Arts and Sciences Council may not be reduced by the amount provided in this section</i>	21
<i>The Walker Art Center</i>	10
<i>The Guthrie Theatre</i>	11
<i>Minnesota Orchestral Association for Orchestral Hall</i>	14
<i>Minnesota Museum of Art</i>	2
<i>Como Zoo and Conservatory</i>	13
<i>Revenue to be distributed by the board on the basis of paid attendance to nonprofit cultural and artistic institutions who meet the following criteria:</i>	2
<i>(1) a nonprofit corporate existence for at least five years, (2) a total paid attendance in the previous calendar year of at least 20,000 persons, and (3) headquarters in the metropolitan area</i>	
<i>Revenue to be distributed to the above named cultural</i>	2

and artistic organizations by the board to subsidize the use of performance space for cultural and artistic organizations who have received a grant from the state arts board within the three prior calendar years

In the event the board determines that a recipient organization is making improper or inefficient use of the money distributed to it, the board shall notify the recipient of its determination and, after hearing, may order that distribution of all or a portion of the money allocated to the organization for that fiscal year be discontinued. Any money not distributed for this reason shall cancel to the general fund."

Page 29, line 21, strike "22" and insert "23"

Page 29, line 27, strike "23" and insert "24"

Page 31, line 14, strike "22" and insert "23"

Page 31, strike lines 15 to 17

Page 31, line 18, strike "(l)" and insert "(k)"

Page 31, line 19, strike "22" and insert "23"

Page 32, line 28, strike "6" and insert "5"

Page 32, line 30, strike "council" and insert "commission"

Page 32, line 30, strike "473.123" and insert "6"

Page 33, line 12, strike "council" and insert "commission"

Page 33, line 18, strike "council" and insert "commission"

Page 33, line 24, strike "council" and insert "commission"

Page 33, line 29, strike "council" and insert "commission"

Page 34, line 12, strike "council" and insert "parks and recreation commission"

Page 34, line 15, strike "council" and insert "commission"

Page 34, strike lines 29 to 32

Page 35, strike lines 1 to 23

Page 35, line 24, strike "6" and insert "5"

Page 36, line 11, strike "\$2,800,000."

Page 36, strike line 12

Page 36, line 13, after "\$1,300,000" insert ", which"

Page 36, line 15, strike "22" and insert "23"

Page 36, strike lines 24 to 32

Page 37, strike lines 1 and 2 and insert:

"Subd. 2. There is appropriated to the state arts board from the general fund in the state treasury the sum of \$1,500,000 to be distributed pursuant to section 18."

Page 37, line 3, strike "5" and insert "3"

Renumber the sections

Amend the title in line 4 by striking “, arts”

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 26, line 25, after the comma, insert “*the preference of the legislature for the metropolitan sports area site,*”

The question being taken on the adoption of the amendment,

And the roll being called, there were yeas 25 and nays 25, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Jensen	Olson, H. D.	Schmitz
Bang	Brown	Keefe J.	Olson, J. L.	Schrom
Berg	Dunn	Kirchner	O'Neill	Sillers
Bernhagen	Frederick	Larson	Patton	Spear
Blatz	Hansen, Baldy	Olson, A. G.	Renneke	Willet

Those who voted in the negative were:

Anderson	Hansen, Mel	Kowalczyk	North	Stassen
Borden	Hughes	Lewis	Ogdahl	Stokowski
Chenoweth	Humphrey	McCutcheon	Perpich, A. J.	Stumpf
Conzemius	Keefe, S.	Merriam	Perpich, G.	Tennessee
Gearty	Kleinbaum	Moe	Solon	Wegener

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

Mr. Keefe, J. moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 1, before line 29, insert the following:

“Section 1. Minnesota Statutes, 1975 Supplement, 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 or drinks purchased

for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, 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;

(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;

(g) *The granting for a consideration of the use of air time, for advertising purposes by a television or radio station;*

(h) *The granting for a consideration of the use of "space" in a "publication" as defined in 297A.25, subdivision 1 (i) for advertising purposes.*

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 or 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 297A.14) which is used or consumed in producing 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 out-

side the state by the purchaser for use thereafter solely outside the state of Minnesota."

Page 22, line 8, strike everything after "*Subd. 2.*"

Page 22, strike lines 9 to 14

Page 22, line 15, strike "*defined in chapter 340.*" and insert "*The tax authorized in sections 1 to 3 shall not be imposed except upon motion by council. It shall apply only to sales made in the metropolitan area. The proceeds of the tax imposed by sections 1 to 3 shall be paid to the commission.*"

Page 22, line 22, strike "*If*"

Page 22, strike lines 23 to 29

Page 22, line 30, strike "*future deficit. It*" and insert "*The Council*"

Renumber the sections in sequence and correct all internal references in the bill

Amend the title as follows:

Line 10, strike "the sale of on-sale liquor" and insert "certain sales"

Line 20, after "1974," insert "sections 297A.14; and 297A.25, Subdivision 1;"

Line 24, after "subdivision;" insert "297A.01, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 15, line 6, strike "*multi-purpose*"

Page 15, line 8, strike "*baseball and football and for soccer*" and insert "*sports*"

Page 15, line 15, before "*Professional*" insert "*A*"

Page 15, line 15, strike "*and*" and insert "*or*"

Page 15, line 15, before "*clubs*" insert "*club, or*"

Page 24, line 16, strike "*multi-purpose*"

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

Mr. Stokowski moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 37, after line 5, insert:

"Sec. 25. Subdivision 1. The following amendment to the Minnesota Constitution, Article XIII, Section 5, is proposed to the people. If the amendment is adopted the section will read as follows:

Sec. 5. The state may conduct a lottery with the proceeds devoted to construct or maintain or to discharge public debt contracted to construct or maintain one athletic stadium. Lottery prizes may only be admissions to events at the athletic stadium. The legislature shall not authorize any other lottery or the sale of lottery tickets.

Subd. 2. The proposed amendment shall be submitted to the people at the 1976 general election. The question submitted to the people shall be:

"Shall the Minnesota Constitution be amended to permit a lottery for an athletic stadium?"

Yes _____

No _____ " "

Renumber the sections in sequence

Correct any internal references

Amend the title as follows:

Page 1, line 17, after "facilities;" insert "proposing an amendment to the Minnesota Constitution, Article XIII, Section 5; permitting a state lottery for an athletic stadium;"

The question being taken on the adoption of the amendment,

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

Those who voted in the affirmative were:

Blatz	Hansen, Baldy	Kowalczyk	Milton	Schaaf
Coleman	Kleinbaum	Larson	Perpich, A. J.	Schrom
Conzemius	Knutson	Merriam	Perpich, G.	Stokowski
Gearty				

Those who voted in the negative were:

Anderson	Dunn	Kirchner	Olson, H. D.	Sillers
Bang	Frederick	Moe	Olson, J. L.	Spear
Bernhagen	Hansen, Mel	Nelson	O'Neill	Stumpf
Borden	Hughes	North	Patton	Tennessen
Brataas	Humphrey	Ogdahl	Pillsbury	Ueland
Chenoweth	Jensen	Olhoff	Renneke	Wegener
Davies	Keefe, S.	Olson, A. G.	Schmitz	Willet

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

Mr. Bang moved to amend H. F. No. 2281, as amended pursuant to Rule 49, adopted by the Senate April 3, 1976, as follows:

(The text of the amended House file is identical to S. F. No. 2096.)

Page 28, after line 12, insert:

"Sec. 18. Notwithstanding any other provision contained in this act, total capital expenditures by all units of government (excluding interest) for the stadium and directly related facilities such as roads and bridges shall not exceed \$50,000,000. If the panel established by section 10 of this act determines that total amount of such expenditures for the stadium are likely to exceed \$50,000,000, then no bonds may be sold under this act."

Renumber the sections in sequence and correct all internal references in the bill

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

H. F. No. 2281 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 21 and nays 37, as follows:

Those who voted in the affirmative were:

Brataas	Gearty	Kirchner	Ogdahl	Solon
Coleman	Hansen, Mel	Kleinbaum	Olson, H. D.	Stokowski
Conzemius	Humphrey	Merriam	O'Neill	Tennessen
Dunn	Keefe, S.	North	Pillsbury	Ueland
Frederick				

Those who voted in the negative were:

Anderson	Chenoweth	Lewis	Patton	Spear
Ashbach	Davies	McCutcheon	Perpich, A. J.	Stassen
Bang	Hansen, Baldy	Milton	Perpich, G.	Stumpf
Berg	Jensen	Moe	Renneke	Wegener
Bernhagen	Keefe, J.	Nelson	Schaaf	Willet
Blatz	Knutson	Olhoft	Schmitz	
Borden	Kowalczyk	Olson, A. G.	Schrom	
Brown	Larson	Olson, J. L.	Sillers	

So the bill failed to pass.

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.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today at 2:30 o'clock p.m. Mr. Doty was excused from the Session of today at 4:30 o'clock p.m.

RECONSIDERATION

Mr. Davies moved that the vote whereby H. F. No. 2281 failed to pass the Senate on April 3, 1976, be now reconsidered.

The question being taken on the adoption of the motion,

And the roll being called, there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Kowalczyk	Olhoft	Sillers
Arnold	Hansen, Mel	Larson	Olson, H. D.	Solon
Ashbach	Hughes	Lewis	O'Neill	Stassen
Bang	Humphrey	McCutcheon	Patton	Stokowski
Borden	Jensen	Merriam	Perpich, A. J.	Tennessen
Brataas	Keefe, J.	Milton	Perpich, G.	Ueland
Coleman	Keefe, S.	Moe	Pillsbury	Wegener
Conzemius	Kirchner	Nelson	Renneke	
Dunn	Kleinbaum	North	Schaaf	
Frederick	Knutson	Ogdahl	Schmitz	

Those who voted in the negative were:

Berg	Brown	Hansen, Baldy	Schrom	Stumpf
Bernhagen	Chenoweth	Olson, A. G.	Spear	Willet
Blatz	Davies	Olson, J. L.		

The motion prevailed. So the vote was reconsidered.

Mr. North moved that H. F. No. 2281 be laid on the table.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Coleman from the Committee on Rules and Administration, pursuant to the second paragraph of Rule 40 and on request of Mr. Lewis, first author of S. F. No. 2455, recommends that S. F. No. 2455 be withdrawn from the Committee on Taxes and Tax Laws and be placed on General Orders.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Committee on Rules and Administration, designated S. F. No. 2455, a Special Order to be heard immediately.

S. F. No. 2455: A bill for an act relating to taxation; providing for a refund of certain amounts of taxes paid for the 1975 taxable year; appropriating money.

Mr. Coleman moved to amend S. F. No. 2455 as follows:

Page 1, after line 5, insert :

"Section 1. Minnesota Statutes, 1975 Supplement, Section 473.121, Subdivision 7, is amended to read:

Subd. 7. "Metropolitan commission" means the metropolitan waste control commission, the metropolitan transit commission, and other such commissions as the legislature may hereafter des-

ignite the metropolitan parks, recreation and open space commission.

Sec. 2. Minnesota Statutes, 1975 Supplement, Section 473.121, Subdivision 14, is amended to read:

Subd. 14. "Regional recreation open space" means the land and water areas determined by the metropolitan council to be of regional significance in providing for a balanced system of public outdoor recreation for the metropolitan area, including but not limited to park reserves, conservatories, zoos, major linear parks, and large recreation parks.

Sec. 3. Minnesota Statutes, 1975 Supplement, Section 473.147, is amended to read:

473.147 [REGIONAL PARKS, ARTS AND RECREATION POLICY PLAN.] Subdivision 1. The metropolitan council after consultation with the parks, recreation and open space commission, municipalities, parks districts and counties in the metropolitan area, and after appropriate public hearings, shall prepare and adopt a long-range system policy plan for regional recreation open space, and for regional and recreation facilities, as part of the council's metropolitan development guide. The plan shall substantially conform to sections 8 to 16 and to all policy statements, purposes, goals, standards, and maps in development guide sections and comprehensive plans as developed and adopted by the council pursuant to the chapters of the Minnesota Statutes directly relating to the council this chapter. The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the outdoor recreation needs of the people of the metropolitan area and shall establish priorities for acquisition and development. In addition the plan shall present an analysis of existing regional recreation and sports facilities, identifying the needs of the area for additional types of facilities, and discussing the types of facilities for which no additional need exists. In preparing or amending the policy plan the council shall consult with and make maximum use of the expertise of the commission. The policy plan shall include a five year capital improvement program, which shall be revised periodically, and shall establish criteria and priorities for the allocation of funds for such acquisition and development. include, to the extent appropriate, any of the statements and descriptions listed in section 473.146, subdivision 1, and the plan shall be adopted following the procedures provided in section 473.146, subdivision 2.

Subd. 2. Before adopting the policy plan, the council shall submit the proposed plan to the parks and open space commission for its review, and the commission shall report its comments to the council within 60 days. The council shall hold a public hearing on the proposed policy plan at such time and place in the metropolitan area as it shall determine. Not less than 15 days before the hearing, the council shall publish notice thereof in a news-

paper or newspapers having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the proposed policy plan and commission comments may be examined by any interested person. At any hearing interested persons shall be permitted to present their views on the policy plan, and the hearing may be continued from time to time. After receipt of the commission's report and hearing, the council may revise the proposed plan giving appropriate consideration to all comments received, and thereafter shall adopt the plan by resolution. An amendment to the policy plan may be proposed by the council or by the parks and open space commission. At least every four years the council shall engage in a comprehensive review of the policy plan, development guide sections, comprehensive plans, capital improvement programs and other plans in substantial conformance with the requirements of subdivision 1 which have been adopted by the council.

Subd. 2. The policy plan in effect on the effective date of this act shall continue in force and effect until expressly superseded by a policy plan adopted pursuant to this section by the council.

Sec. 4. Minnesota Statutes, 1975 Supplement, Section 473.301, is amended to read:

473.301 [DEFINITIONS.] Subdivision 1. As used in sections 473.302 to 473.341 and sections 5 to 17, the terms defined in this section have the meanings given them.

Subd. 2. "Policy plan" means a plan adopted by the council pursuant to section 473.147; ~~generally describing the extent, type and location of regional recreation open space needed for the metropolitan area and the timing of its acquisition and development.~~

Subd. 3. "Master plan" means a plan describing the boundaries of specific parks or other regional recreation open space and the nature of their development and use.

Subd. 4. "Commission" means the metropolitan parks, recreation and open space commission created by section 473.303.

Subd. 5. "Municipality" means any city or town exercising municipal powers located in the metropolitan area, except where there exists in a city of the first class an elected park and recreation board having control of parks, parkways, playgrounds, and trees, for purposes of sections 473.302 to 473.341, that board shall be considered a municipality.

Subd. 6. "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities are now parties.

Subd. 7. "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon, now owned by the cities.

Subd. 8. "Use agreements" means all agreements now in effect

entered into by the metropolitan sports area commission on behalf of the cities, providing for the use of the metropolitan sports area or any part thereof by any person, firm or corporation.

Subd. 9. "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 10. "Sports facility" means any real, personal, or mixed property used or useful for amateur or professional athletic exhibitions and contests attended by the public, or for instruction, training, and participation in athletics by individual members of the public, or by students at public or private schools and colleges, or by members of athletic associations, which is acquired, leased, or held by the commission primarily for one or more of these purposes.

Subd. 11. "Recreational facility" shall be limited to the facilities specifically described in section 471.191, which have an estimated capital cost of over \$10,000,000.

Subd. 12. "Debt service fund" means the fund from which are payable the principal and interest on all bonds issued or assumed by the council under sections 8 and 10.

Sec. 5. Minnesota Statutes, 1975 Supplement, Section 473.302, is amended to read:

473.302 [LEGISLATIVE POLICY; PURPOSE.] *The legislature finds that the population in the metropolitan area has a need for additional land and facilities for regional parks, arts and recreational activities, and for additional sports facilities and that this need cannot be adequately met by the activities of individual municipalities, agreements among municipalities, or by the private efforts of the people in the metropolitan area. The legislature finds that the pressure of urbanization and development threatens the most valuable remaining large recreational open space areas in the metropolitan area at the same time as the need for such areas is increased ; and that there is a need for the development of open space in rural and urban areas. The provision of land and facilities for regional parks and recreation, including sports facilities, will promote the health, safety and general welfare of the inhabitants of the area by enabling them to use and enjoy the parks and open space, and recreational facilities, including sports facilities, and by promoting the economic welfare of the metropolitan area and its inhabitants and industries. It is therefore necessary for the public health, safety and general welfare of the people of the metropolitan area to create a metropolitan parks, recreation and open space commission to carry out the powers and duties enumerated in Minnesota Statutes, Sections 473.302 to 473.341 and sections 5 to 17 . Immediate action is therefore necessary to provide funds to acquire, preserve, protect and develop regional recreational open space for public use.*

Sec. 6. Minnesota Statutes, 1975 Supplement, Section 473.303, Subdivision 1, is amended to read:

473.303 [METROPOLITAN PARKS, ARTS AND RECREA-

TION COMMISSION.] Subdivision 1. [GENERAL.] A metropolitan parks , recreation and open space commission is established as an agency of the council and shall be organized and structured as provided in this section and section 473.141, subdivisions 6 to 11, 13 and 14 .

Sec. 7. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.350] [GENERAL POWERS.] *Subdivision 1. The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.*

Subd. 2. The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. It may acquire by lease, purchase, gift, devise, or eminent domain pursuant to the provisions of Minnesota Statutes, Chapter 117, all necessary right, title, and interest in and to real and personal property deemed necessary to the sports facility purposes contemplated by sections 5 to 17, and may construct, equip, improve, operate, manage, and maintain sports facilities, including existing facilities. The power of eminent domain may be exercised by the commission only in connection with the construction of sports and related facilities and for a specific property only upon the approval of the council, and may not be exercised by the commission in the area within the city of Minneapolis and east of trunk highway 394. Any properties, real or personal, acquired, owned, leased, controlled, used or occupied by the commission for any of the purposes of this act, are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement.

Subd. 4. The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes, subject to the approval by the council of any sale of real property. The property shall be sold in the manner provided by section 462.325, insofar as practical. The proceeds of sale shall be used as directed by the council, to pay the capital cost of sports facilities or to pay bonds issued by the council for that purpose or bonds upon which it is obligated under the provisions of section 8, subdivision 2.

Subd. 5. The commission may employ persons and contract for services and materials, supplies and equipment as may be necessary to carry out its functions.

Subd. 6. The commission may accept gifts, may apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and

may hold, use and dispose of such money or property in accordance with the terms of the gift, grant, loan or agreement relating thereto.

Subd. 7. The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions; and may advise and assist the metropolitan council and other governmental units on planning matters within the scope of its powers, duties and objectives.

Subd. 8. The commission and the board of regents of the university of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed herein.

Subd. 9. The commission may lease, license, or enter into other agreements for the use of part or all of any property or facility under its ownership or control for purposes as will provide athletic, educational, cultural, commercial or other entertainment, instruction or activity for the citizens of the metropolitan area.

Subd. 10. Contracts for the purchase of materials, supplies, and equipment shall be made in accordance with section 471.345; except that the commission with the approval of the council, and without advertisement for bids, may employ a person, firm, or corporation to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a sports facility project. Any such person, firm, or corporation shall certify, before the contracts are finally signed, a total construction price to the commission and shall post a bond in the amount of \$5,000,000 to cover any costs which may be incurred over and above the certified price. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of such bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 11. The commission may appoint advisory committees in the areas of culture and arts, parks and recreation, and sports.

Subd. 12. The commission shall appoint a nine member advisory sports facility building committee with membership as follows: a member representing the commission; a representative of the university of Minnesota; four citizen representatives, three of whom shall reside outside the city in which the facility is situated; and one member of the former metropolitan sports area commission from each of the three cities, to be chosen by the parks, arts and recreation commission. A representative of each professional athletic team which intends to use the facility shall serve as an ex-officio member of the committee. The commission shall seek the advice of the committee on matters relating to the construction of any new sports facility, and may delegate to the committee, or a subcommittee designated by it, such functions as it may determine to be desirable in the supervision of such con-

struction. Upon completion of construction the committee shall be discharged.

Subd. 13. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission, and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic regulations.

Subd. 14. The commission shall, on a quarterly basis, reimburse the council for any costs incurred by the council in carrying out its functions relating to the commission under sections 3 and 10, and sections 473.161 and 473.163.

Subd. 15. The construction of new sports facilities under this act shall be accomplished under the provisions of sections 7 to 14 and shall not be affected by Minnesota Statutes, 1975 Supplement, Sections 473.161, 473.163, and sections 3, 4, and 15.

Subd. 16. In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 9, 10, or 13 of this section, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16.081 to 16.084. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16.085, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16.086.

Subd. 17. The commission shall require that each party with whom it contracts for services for construction, concessions, and operation of a sports facility pursuant to subdivisions 5, 9, 10, or 13 of this section shall have an affirmative action plan for the employment of minority persons that has been approved by the commissioner of human rights.

Sec. 8. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.351] [OWNERSHIP AND OPERATION OF METROPOLITAN SPORTS AREA.] Subdivision 1. On the effective date of this act the ownership of the metropolitan sports area is transferred to the commission.

Subd. 2. The cities and the metropolitan sports area commission shall cause all conveyances and other instruments to be executed, delivered, and recorded on their behalf which the commission, upon advice of counsel, deems necessary or desirable to transfer and convey to it all of the cities' right, title, and interest in and to the metropolitan sports area and all parts thereof and appurtenances thereto. The treasurer of the city of Minneapolis shall remit, endorse, assign and transfer to the treasurer of the

commission all moneys and securities credited to the metropolitan sports area fund on the city's official books and records under the provisions of the ownership and operations agreement, except the metropolitan sports area bond sinking fund. The commission shall be and become obligated for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement and amendments thereto and shall provide to Minneapolis funds sufficient to meet such payments and to maintain the sinking fund pursuant to the agreement; provided that when the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the commission shall be discharged. The commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use agreements relating to the metropolitan sports area, and the cities and the metropolitan sports area commission shall cause to be executed all such assignments and other documents as the commission, upon advice of the counsel, shall deem necessary or desirable and appropriate to vest all their rights and privileges under such agreements in the commission, provided that nothing herein shall be construed as imposing upon the commission an obligation to the cities and the metropolitan sports area commission, or any of them, to compensate the cities for all or any part of the metropolitan sports area, or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission, except to the extent necessary to provide revenues sufficient, with other resources of the commission, to pay said outstanding bonds and interest thereon.

Subd. 3. All persons employed by the metropolitan sports area commission are transferred to the metropolitan parks, arts and recreation commission without loss of right or privilege.

Sec. 9. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.352] [RETIREMENT; ADMINISTRATION; PURCHASES OF PRIOR SERVICE CREDIT.] Subdivision 1. All employees of the commission shall be members of the Minnesota state retirement system with respect to service rendered on or after the effective date of this act, except that temporary employees hired for a period of less than six months and part time employees hired to work less than 30 hours per week shall be excluded from membership in the retirement system if the commission certifies them to the executive director of the retirement system as being temporary or part time employees. Provided, however, that any employee of the commission who was an employee of the metropolitan sports area commission immediately prior to the effective date of this act and who was a member of the public employees retirement association on account of such employment may elect no later than 30 days following the effective date of this act to remain a member of the public employees

retirement association. Such election shall be made on forms provided by the commission, and the commission shall give immediate notice of any such elections to the executive directors of the public employees retirement association and the Minnesota state retirement system. Any person who makes such an election shall be excluded from membership in the Minnesota state retirement system with respect to employment by the commission.

Subd. 2. Any permanent full time employee of the commission who was a permanent full time employee of the metropolitan sports area commission prior to the effective date of this act for whom such prior employment was not covered by the public employees retirement association, may obtain allowable service credit in the Minnesota state retirement system by paying to the retirement system (a) an amount equal to four percent of his or her current salary rate multiplied by the days and months of such prior service for which he or she desires to obtain allowable service credit plus (b) a matching amount representing the employer's required contributions, except that the commission may agree to pay such matching amount on behalf of its employees. Proof of prior permanent full time service and the duration thereof shall be established by the certification of the commission to the executive director of the retirement system. The payments shall be made either in a lump sum or by payroll deduction arranged for on or before July 1, 1977.

Sec. 10. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.353] [DEBT OBLIGATIONS.] Subdivision 1. [BONDS.] The metropolitan council may by resolution authorize the sale and issuance of its revenue bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of sports facilities by the commission, including the payment of interest on the bonds for a period not to exceed three years and to fund any reasonably required reserve in the debt service fund, subject to the limitations in subdivision 3;

(b) To refund bonds issued hereunder and revenue bonds upon which the council is obligated under section 8, subdivision 2;

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions.

Subd. 2. [PROCEDURE.] Such bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and this section, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter, except that the bonds may be sold at any price and the average annual rate of interest on the bonds (including discount) may equal but may not exceed 7½ percent, and the bonds may be sold at public or private sale as determined by the council, and they shall be payable solely from tax and other revenues referred to in section 11, and shall

not be a general obligation or debt of the metropolitan council or of the commission. The amount thereof shall not be limited except as provided in subdivision 3 and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, and no election shall be required.

Subd. 3. [LIMITATION.] Until and unless otherwise provided by law, the principal amount of any bonds issued pursuant to subdivision 1, clause (a) shall be limited to \$47,000,000, and the purpose thereof shall be limited to the acquisition and betterment of a new multipurpose stadium seating approximately 65,000 persons suitable for university and major league baseball and football and for soccer, with adjacent parking facilities for automobiles and road access improvements, and without expenditure of bond proceeds for the acquisition of the site or for the construction or installation of a dome over the playing field; and the council shall not issue any of the bonds in excess of \$2,000,000 until it has determined that:

(a) Professional baseball and football clubs have entered into agreements with the commission to play in the stadium for a period not less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the completion of the stadium; and (i) each agreement shall include a provision for arbitration of annual damages through loss of revenues in the event of default, based on average revenues in the years prior to default from the commission's share of gross admissions and concessions, from parking during club activities, and from taxes on admissions to club activities, and payable during the period from the occurrence of the default to the date on which another major league club shall enter into a use agreement with the commission for not less than the then remaining term of the original agreement; provided that such damages shall not exceed in any year an amount sufficient, with other revenues of the commission including admission taxes but excluding any other taxes, to pay all expenses of operation, maintenance, and administration of the stadium and all principal and interest due on the bonds referred to in this section and section 8, subdivision 2, during the same year; (ii) each agreement shall provide for the pledge by the team of their franchise and player contracts as security for the performance by the club of their obligations under the agreements; and (iii) each agreement shall specify that the team shall, except as approved by the commission, use the sports facility for all scheduled regular season home games and play-off and championship home games, and, in the case of the football organization, for at least one half of its exhibition games played in each two year period; and

(b) the environmental impact statement required in section 12 has been accepted by the environmental quality council.

Subd. 4. No construction may be carried out on a new sports facility until the council has determined that:

(a) Acceptance by the environmental quality council of the environmental impact statement required in section 12 has been

received and all necessary permits have been issued by the pollution control agency;

(b) The stadium and parking and ancillary facilities will be situated within the area designated by the site selection panel under section 14;

(c) The commission has received a grant of funds, or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required to make any payment upon which its acquisition of title to and possession of the site is conditioned and to satisfy any lawsuit related thereto, and to pay all costs of clearing the site of all buildings, railroad trackage and other structures, plus any necessary relocation costs;

(d) The commission has acquired title to the site, including all easements and other appurtenances needed for the construction and operation of the stadium, or an order has been entered by a court of competent jurisdiction determining that its taking of the site and appurtenances is necessary and authorized by law and appointing commissioners to assess and award the damages pursuant to section 117.075;

(e) All agreements entered into by the commission are consistent with the purposes of sections 7 to 14, and the council has reviewed plans prepared for the commission in detail sufficient so that the development of final plans and specifications in accordance therewith will assure completion of the project in conformity with said purposes;

(f) There are adequate provisions for traffic circulation at the stadium site without the expenditure of federal aid interstate or federal aid urban funds, unless the funds may be utilized without delaying the construction of Interstate 35E, or the construction of State Highway 36 south of Interstate 494 and the commission has consulted with the project area committees of the neighborhoods within one half mile of the sports facility on the plan for traffic circulation and parking, including a public hearing on the plan conducted in the affected neighborhoods by the commission;

(g) Any facilities planned for the area to the east of trunk highway 394 in the city of Minneapolis shall be consistent with the plan of the city of Minneapolis for the Cedar Riverside urban renewal area;

(h) Agreements have been executed by appropriate labor organizations and construction contractor organizations that no labor strike or management lockouts will halt, delay or impede construction;

(i) In the considered judgment of the council the proceeds of the bonds will be sufficient to pay the entire cost of the stadium and ancillary facilities, and the revenues that may reasonably be expected to be received from the sources described in section 11, except revenues described in subdivision 2 thereof and received after July 1, 1977, and from the playing agreements referred to in clause (a) above, and from investment of the construction fund, and, if a site in the city of Minneapolis is selected under section 14, from the sale of any part

of the existing metropolitan sports area which is no longer needed, will be sufficient to pay all current expenses of operation, administration, and maintenance of the commission's sports facilities and, with any bond proceeds deposited in debt service funds and earnings from the investment thereof, to pay the principal of and interest on all bonds to be issued pursuant to this section and all bonds referred to in section 8, subdivision 2, when due or called for prior redemption, and to accumulate and maintain an adequate bond reserve;

(j) The council in determining whether the aforementioned items have been satisfied may require of the lessee professional teams any and all relevant corporate fiscal and financial data, including, but not limited to, profit and loss statements, annual audit statements, and balance sheets;

(k) The requirements in paragraphs (d) and (e) shall apply only to a facility constructed in the city of Minneapolis; and

(l) In no case shall the net revenues of the commission be reduced or abated, in whole or in part, through private box lease rate reductions offered in connection with any incentive for the donation of land or site clearance costs for a sports facility.

Subd. 5. [SECURITY.] The tax and other revenues described in section 11 shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance and debt service of the commission's sports facilities until all bonds referred to in section 8, subdivision 2 and all bonds issued pursuant to this section are fully paid. The revenue bonds referred to in section 8, subdivision 2 may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b) and not subject to the limitation in subdivision 3, for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and until said revenue bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the net revenues from the date when bonds are first issued under the resolution or indenture, and shall secure not only the payment of principal and interest and redemption premiums when due, but also the maintenance at all times of a reserve securing such payments, to be established from proceeds of the bonds or of the tax authorized in section 11, subdivision 2, at the time of first issuance of the bonds or within three years thereafter, in an amount at least equal to the maximum amount of principal and interest to become due or subject to mandatory redemption (except any amount of term maturity bonds required to be redeemed before maturity) in any subsequent year, with respect to all bonds outstanding under the bond resolution or indenture. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid

security interest in all revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders, including but not limited to covenants regarding deposit, investment, and disposition of bond proceeds and revenues in the hands of the treasurer or the trustee; construction, acquisition, repair, replacement, operation, and insurance of facilities; funds, accounting, and reports; establishment and revision of rentals, fees, and charges to produce sufficient revenues; conditions of use and agreements for the use of facilities; establishment and maintenance of reserve for working capital, debt service, repairs, and replacements; amendment of covenants and other provisions; conditions for satisfaction and discharge of bond obligations; conditions for issuance of additional bonds as a superior, equal, or subordinate charge on the revenues pledged; duties and liabilities of the trustee; events of default and the waiver thereof; remedies, including acceleration, and limitations upon the prosecution of remedies. No pledge, security interest, covenant, or agreement securing revenue bonds may be impaired, revoked, or amended by law or by action of the council or commission, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 6. [REVENUE ANTICIPATION CERTIFICATES.] At any time or times after approval of an annual budget of the commission for operation, administration, and maintenance of its sports facilities, and in anticipation of the collection of the tax and other revenues appropriated in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates in aggregate principal amounts not exceeding 50 percent of the total amount of such appropriations, and maturing not later than three months after the close of the budget year; provided that the council may, prior to the adoption of the first annual budget of the commission under section 473.163, authorize up to \$300,000 in revenue anticipation certificates under this subdivision. An amount of the anticipated revenues equal to not less than 105 percent of the amount required to pay the certificates and interest thereon when due shall be reappropriated to a special fund established in the council's financial records, and all revenues received after expenditure or encumbrance of the remaining amount appropriated shall be credited to the fund until the certificates and interest are fully paid. If for any reason the anticipated revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, and the council shall raise the rate of the tax authorized in section 11, subdivision 2, so far as necessary to restore the deficiency and produce revenues sufficient to pay all costs of operation, maintenance, administration and debt service in the then current and following budget years.

Sec. 11. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.354] [FINANCES.] *Subdivision 1. [ADMISSIONS TAX.] Commencing January 1, 1977, the council may by resolution levy, impose, and collect an admissions tax, additional to and not in lieu of any taxes imposed by chapter 297A, upon the granting by any private or public person, association, or corporation, other than the commission, of the privilege of admission to activities conducted on premises owned, operated, or controlled by the commission. Commencing January 1, 1977, no other tax may be levied on such transactions by any other unit of government except the state. The tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor of admission from the person admitted and shall be a debt from that person to the grantor, and the tax required to be collected shall constitute a debt owed by the grantor to the commission, which debts shall be recoverable at law in the same manner as other debts. Every person, association, or corporation granting such admissions may be required, as provided in resolutions of the council, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment, and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax. The tax may not exceed three percent of the selling price; except that the tax upon admissions to activities conducted in the stadium referred to in section 10, subdivision 3, shall be imposed at a rate not less than 10 percent and not more than 15 percent. The tax imposed by this subdivision shall be paid by the commission into the debt service fund.*

Subd. 2. [ON-SALE LIQUOR TAX.] The council is authorized to impose a one percent tax on the gross receipts from all on-sale sales at retail, exclusive of the general sales and use taxes imposed in chapter 297A, of intoxicating liquor and fermented malt beverages at licensed on-sale liquor establishments, as those terms are defined in chapter 340, within the metropolitan area. The tax authorized in sections 25 to 27 shall not be imposed except upon motion by the council. It shall apply only to sales made in the metropolitan area. The proceeds of the tax imposed by sections 25 to 27 shall be paid to the commission. The tax shall be effective as of June 1, 1976, and shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions, and the collections thereof, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the commission. The council may reduce the rate at any time after twelve months of operation without a deficit, to such rate as it estimates will be adequate to prevent the recurrence of a deficit. For purposes of this subdivision the term "metropolitan area" shall not include that portion of the city of New Prague that is located in Scott county and also shall not include those portions of the city of Hanover and the city of Rockford that are located in Hennepin county.

Subd. 3. [RENTALS, FEES, CHARGES, AND CONTRACTS.] The commission is authorized to fix, alter, charge, and collect rentals, fees, and charges to all private and public persons, associations, and corporations, for the use, occupation, and availability of all premises owned, operated, or controlled by it and all facilities situated thereon, and to enter into contracts respecting such rentals, fees, and charges. The amounts thereof shall be those estimated to be necessary and feasible

to produce so far as possible, with revenues from other sources, the amounts needed for current operation, maintenance, and debt service. All such rentals, fees, charges, and contracts shall be submitted to the council in accordance with section 473.163. Any contract may provide that the other contracting party shall have exclusive or nonexclusive use of such areas at such times, and shall be responsible for such performance and the payment of such costs of operation and maintenance thereof, as may be agreed. Agreements with the university of Minnesota shall provide that the university shall use the stadium, without charge, for intercollegiate athletic events.

Subd. 4. [GENERAL.] The commission shall receive and account for all tax and other revenues referred to in this section and from such revenues shall provide, contract, and pay for proper operation and maintenance of all of its property and facilities, and shall maintain a reserve for working capital as authorized by the council, and shall remit to the council for deposit in its debt service fund, at times required by resolutions of the council, the net revenues in excess of these requirements; provided that the council may by such resolutions authorize the retention also of a reserve for major repairs, replacements, and improvements.

Sec. 12. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.355] [ENVIRONMENTAL IMPACT STATEMENT.]
Subdivision 1. Environmental impact statements fulfilling the requirements of section 116D.04 shall be completed for each stadium site specified in section 14, subdivision 1, within ten months of the effective date of this act. Each environmental impact statement shall include a study of the costs and methods for the control of traffic within and immediately outside of the stadium site. The environmental impact statements shall be prepared by the commission. The commission shall contract for the preparation of the statements. The draft environmental impact statements shall be submitted to the environmental quality council within 120 days of the effective date of this act. The provisions of this section shall apply to the construction of a new multipurpose sports facility by the commission, notwithstanding any contrary provisions of section 116D.04 or any regulations issued pursuant thereto.

Subd. 2. The pollution control agency shall take final action to approve or deny any permits necessary for the construction of a new sports facility for each stadium site specified in section 14, subdivision 1, within ten months following the effective date of this act.

Subd. 3. The commission, in coordination with the highway department, shall conduct a study of the estimated capital costs of construction or modification of any roads or highways necessitated by the construction of a new stadium. The study shall be completed within six months of the effective date of this act.

Sec. 13. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.356] [LIQUOR LICENSE.] A single on-sale license may be

issued by the commission for the sale of intoxicating liquors in sports facilities owned or controlled by the commission. The license issued under this section shall be for a single sports facility building, and shall not be included in the number of licenses within the city in which the sports facilities are located for the purposes of any law or charter provision limiting the number of on-sale licenses within the city. In addition, notwithstanding any provision of law or city charter to the contrary, on-sale licenses for the sale of intoxicating liquor may be issued to establishments on land now known as the metropolitan sports area owned by the commission and which is used primarily for sports and recreational purposes, upon payment of the regular on-sale license fee therefor to the municipality wherein the licensed premises are located, and such license shall authorize the sale of intoxicating liquor to club members and guests only.

Sec. 14. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.357] [ARBITRATION PANEL.] Subdivision 1. An arbitration panel shall be created to determine the location and general design specifications for a new multi-purpose sports facility in the metropolitan area.

The panel shall select one of two sites: (a) the metropolitan sports area and the area adjacent thereto; or (b) the area within three-fourths of a mile of the intersection of 12th avenue south and second street south in the city of Minneapolis. The panel shall be composed of three impartial members appointed by the governor.

Subd. 2. The panel may contract for staff and consultant services as needed to perform its duties.

Subd. 3. The commission shall provide funds to the panel, to accomplish the purpose of this section, from the proceeds of bonds issued pursuant to section 10, subdivision 1, clause (a) or from the revenues received under section 11.

Subd. 4. The general design specifications for the sports facility shall at least meet the minimum general design specifications listed in Appendix A of the report of the state planning agency, entitled "A Report on Sport Stadium Proposals" and dated February, 1976.

Subd. 5. The panel shall hold a series of hearings in both outstate and metropolitan Minnesota. The hearings shall be open to the public and shall be held after appropriate public notice. The purpose of the hearings is to receive public testimony on all factors relating to the choice of location for the facility.

Subd. 6. Within 30 days following the acceptance by the environmental quality council of the environmental impact statements required by section 12, the arbitration panel shall, by a majority vote, make a site selection. Their decision shall be reported to the legislature, the governor, the commission, and the metropolitan council. In making their decision, the panel shall

consider factors bearing on the site selection, including but not limited to the environmental impact statements and highway study required in section 12, the design features unique to each site, and the testimonies at the public hearings.

Sec. 15. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.358] [CERTIFICATE OF NEED FOR NEW PUBLIC REGIONAL SPORTS AND AUDITORIUM FACILITIES.] *Subdivision 1. The council shall, subject to chapter 15, promulgate regulations governing the issuance of a certificate of need for new publicly financed sports facilities and indoor public assembly facilities with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars.*

The regulations shall provide for the manner in which a local governmental unit, or agency thereof, may apply for a certificate of need, and for the process by which the council shall review the applications. The regulations shall include the factors to be considered in a decision whether to accept or reject an application for a certificate of need. Those factors shall include:

(a) the need for the particular new public sports or indoor public assembly facility proposed;

(b) the extent to which this need can be met by existing facilities;

(c) the relationship between the proposed facility and other existing and proposed facilities in the metropolitan area;

(d) the level of governmental subsidy required to support the proposed facility.

Subd. 2. No new publicly financed sports facility or indoor public assembly facility with a planned capacity of more than 5,000 persons or requiring a total capital expenditure of more than five million dollars may be constructed unless a certificate of need has been issued for the proposed facility by the council.

Sec. 16. **[BLOOMINGTON; TAX LEVY.]** *Subdivision 1. The city of Bloomington may add to the levy base determined for the purposes of Minnesota Statutes, Section 275.50 to 275.56, an amount equal to the revenue derived by the city in calendar year 1975 from the city tax imposed on tickets sold for admission to activities conducted at the metropolitan sports area.*

Sec. 17. **[SALE OF METROPOLITAN SPORTS AREA LAND.]** *Following the completion of the new sports facility under sections 8 to 16, the commission may sell up to 100 acres of the land at the metropolitan sports area, in a single parcel, or in smaller parcels, over a period of years. In the event that the approximately 47 acres of land retained by the commission at the metropolitan sports area is no longer used for a public purpose, the commission shall transfer all right, title, and interest to the real property to the cities, in proportion to their population at the*

most recent federal decennial census, and shall cause all conveyances and other instruments to be executed, delivered, and recorded on their behalf which the commission, upon advice from counsel, deems necessary or desirable to transfer and convey to the city all of the commission's right, title, and interest in the real property. This section shall apply only if the arbitration panel in section 14 determines that a Minneapolis site will be used.

Sec. 18. Minnesota Statutes 1974, Chapter 473, is amended by adding a section to read:

[473.359] [CULTURAL AND ARTISTIC INSTITUTIONS.] Subdivision 1. *The legislature finds that cultural and artistic institutions with headquarters in the metropolitan area serve the regional public interest by enhancing the educational environment and improving the living conditions; that these cultural institutions have a substantial economic impact in the communities served by them; and that these institutions should be provided with means to assist them in maintaining facilities with which to provide services to the public. The legislature further declares that certain regional cultural and artistic institutions enumerated in this section are particularly essential for the public interest of the metropolitan area.*

Subd. 2. *Money appropriated to the state arts board in section 24, subdivision 1, shall be distributed to cultural and artistic institutions headquartered in the metropolitan area for operation and maintenance costs of their facilities, or the facilities in which they perform. The revenues shall be allocated by the board according to the following percentages:*

<i>The Minneapolis Society of Fine Arts, for The Minneapolis Institute of Arts, 15 percent, and the Children's Theatre Company, 10 percent</i>	<i>Percent</i> 25
<i>The St. Paul Ramsey Arts and Sciences Council for the Arts and Sciences Council, 19 percent, and the St. Paul Philharmonic Society, 2 percent, except that the funding for the Philharmonic Society by the Arts and Sciences Council may not be reduced by the amount provided in this section</i>	21
<i>The Walker Art Center</i>	10
<i>The Guthrie Theatre</i>	11
<i>Minnesota Orchestral Association for Orchestra Hall</i>	14
<i>Minnesota Museum of Art</i>	2
<i>Como Zoo and Conservatory</i>	13
<i>Revenue to be distributed by the commission on the basis of paid attendance to nonprofit cultural and artistic institutions who meet the following criteria:</i>	2
<i>(1) a nonprofit corporate existence for at least five years, (2) a total paid attendance in the previous calendar year of at least 20,000 persons, and (3) headquarters in the metropolitan area</i>	
<i>Revenue to be distributed to the above named cultural and artistic organizations by the board to subsidize the use of performance space for cultural and artistic organiza-</i>	2

tions who have received a grant from the state arts board within the three prior calendar years

In the event the board determines that a recipient organization is making improper or inefficient use of the money distributed to it, the board shall notify the recipient of its determination and, after hearing, may order that distribution of all or a portion of the money allocated to the organization for that fiscal year be discontinued. Any money not distributed for this reason shall cancel to the general fund.

Sec. 19. Minnesota Statutes, 1975 Supplement, Section 139.08, Subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By November 15 of each year, the board shall prepare and deliver to the legislature and the governor a report which shall include the following:

(a) a financial statement showing receipts and disbursements for the year ending the preceding June 30, including a listing of the donors and amounts of gifts to the board or its advisory committees valued in excess of \$1,000;

(b) a brief description of the activities of the board for the preceding year;

(c) the number of meetings and approximate hours spent by board members in meetings and on other board activities;

(d) the names of board members and their addresses, occupations, and dates of appointment and re-appointment to the board;

(e) the names and job classifications of board employees;

(f) a brief summary of board rules proposed or adopted during the period with appropriate citations to the state register and published rules;

(g) the number of requests for assistance received by the board and the number of written and oral complaints received from residents of the state relating to the activities of the board or the performance of the duties of the board as provided in this chapter;

(h) a summary by category of the substance of the complaints and requests referred to in (g) above and the responses of the board thereto;

(i) a listing of all grants, loans or other forms of assistance given by the board. This listing shall indicate (1) the recipients of board assistance who are members of the board or its advisory committees, and (2) each recipient sponsoring organization having a member of the board or its advisory committees as a director, officer or employee. The indication required in clause (2) shall also specify the name of the member who is the officer, director or employee;

(j) a summary of the local arts development program established pursuant to section 23, including a description of the membership, activities, and criteria and guidelines of each of the 13 regional arts task forces and a statement describing progress in achieving the purposes of the program;

(k) a summary of grants made to major arts organizations for

general operating support under section 24 and a statement describing progress in achieving the purposes of the program of state grants for general operating support .

Sec. 19. Minnesota Statutes, 1975 Supplement, Section 139.10, Subdivision 1, is amended to read:

139.10 [DUTIES.] Subdivision 1. The board shall through the following activities stimulate and encourage the creation, performance and appreciation of the arts in the state:

(a) receive and consider any requests for grants, loans or other forms of assistance;

(b) advise and serve as a technical resource at the request of sponsoring organizations and political subdivisions in the state on programs relating to the arts;

(c) advise and recommend on existing or proposed activities of the departments of the state relating to the arts;

(d) accept gifts and grants to the board and distribute the same in accordance with the instructions of the donor insofar as the instructions are consistent with law;

(e) promulgate by rule procedures *consistent with this chapter* to be followed by the board in receiving and reviewing requests for grants, loans or other forms of assistance;

(f) promulgate by rule standards consistent with this chapter to be followed by the board in the distribution of grants, loans and other forms of assistance;

(g) distribute according to the above procedures and standards grants, loans and other forms of assistance for artistic activities to departments and agencies of the state, political subdivisions, sponsoring organizations and, in appropriate cases, to individuals engaged in the creation or performance of the arts; provided that a member of the board shall not participate in deliberations or voting on assistance to groups or persons in which that member has an interest as officer, director, employee or recipient;

(h) appoint advisory committees which the board determines are essential to the performance of its powers and duties under this section; provided that no member of an advisory committee shall within two years prior to his appointment have received or applied for in his own name a grant, loan or other form of assistance from the board or its predecessor;

(i) *establish a comprehensive statewide system of information and publicity about the arts and artistic activities;*

(j) *administer a program of state grants for the payment of touring costs for professional touring, provided that grants for touring made with funds from the local arts development program shall be made according to the provisions of section 23;*

(k) *administer the program of local arts development established by section 23 .*

Sec. 20. Minnesota Statutes, 1975 Supplement, Section 139.10, Subdivision 2, is amended to read:

Subd. 2. In performing the duties under subdivision 1, the board shall insofar as reasonably possible *in accordance with the provisions of chapter 139 and other applicable law* :

(a) avoid any actions which infringe on the freedom of artistic expression or which interfere with programs in the state which relate to the arts but which do not involve board assistance;

(b) distribute board assistance equitably according to population throughout the geographical regions of the state;

(c) give special consideration to requests for assistance for the creation or performance of types or variations of the arts which have yet to receive the level of general support and assistance given to the more established types or variations of the arts;

(d) distribute annually to individuals engaged in the creation or performance of the arts at least five percent of the moneys from the state's general fund appropriated to the board for each fiscal year.

Sec. 21. Minnesota Statutes, 1975 Supplement, Section 139.10, is amended by adding a subdivision to read:

Subd. 3. Every publication, program or other graphic material prepared by the board or prepared for use by any other organization in connection with an activity funded in whole or part by the board 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.

Sec. 22. Minnesota Statutes 1974, Chapter 139, is amended by adding a section to read:

[139.11] [LOCAL ARTS DEVELOPMENT PROGRAM.] *Subdivision 1. It is the purpose of the local arts development program to assist and encourage the arts and artistic expression within the various regions of the state and to improve and expand the opportunity to enjoy and participate in the arts in smaller cities and towns and in rural areas within each region.*

Subd. 2. Except as may be provided in accordance with subdivision 5, the regional development commissions established pursuant to section 462.387 and the metropolitan commission established pursuant to section 6, in consultation with the board, shall create 13 regional arts task forces within regions designated pursuant to section 462.385 and the metropolitan area defined in section 473.121. Each task force shall be composed of no less than nine members, distributed so as to ensure equitable representation from all parts of the region or metropolitan area, including smaller cities and towns and rural areas. The membership of each task force shall include majority representation from the major art disciplines and shall also include local elected officials, provided that no organization shall be permitted more than one representative

on the task force. At least one member of each task force shall be a member of the regional development commission or metropolitan commission serving that region. Trustees or employees of major arts organizations receiving state grants from the board for general operating support shall not be eligible for membership on any task force.

Subd. 3. The regional arts task forces shall advise and assist the board and the regional development commissions or metropolitan commission on the design, development, implementation, and evaluation of the local arts development program. Each task force shall meet at least bi-monthly and shall review and make recommendations to the board on applications for grants under the program. Each task force, in consultation with the board and the regional development commission or metropolitan commission, shall develop guidelines and criteria for funding projects, programs and organizations of artistic merit within the regions and shall submit the guidelines and criteria to the board and the regional development commission or metropolitan commission for review and approval. Guidelines and criteria shall promote local arts development in all parts of the region or metropolitan area and shall ensure an equitable distribution of benefits to smaller cities and towns and rural areas. Guidelines and criteria may permit grants to organizations for general operating support, provided that a demonstration of operating efficiency and continuing increases in earned income and revenues derived from private contributions shall be required of applicants as a condition to receiving any such grant and provided further that no recipient of state grants for general operating support under any other program administered by the board shall be eligible for such grants under the local arts development program. At the end of each fiscal year, the board and each regional development commission and the metropolitan parks and recreation commission shall review and assess the adherence of each task force to its guidelines and criteria. The board or the regional development commission or metropolitan commission may require modifications in the guidelines and criteria.

Subd. 4. Applications for grants under the local arts development program shall be made to the board, which shall forward copies of each application to the appropriate regional arts task force. The task force shall review each application on the basis of the criteria and guidelines established pursuant to subdivision 3 and shall recommend to the board whether the application should be granted. The recommendations of a task force whose guidelines and criteria are approved by the board pursuant to subdivision 3 shall be binding on the board, provided that grants made under the program shall be distributed by the board according to the populations of the respective regions.

Subd. 5. Grant moneys received under this act shall not be used for any capital expenditures or acquisition of real property.

Subd. 6. Notwithstanding the foregoing provisions for the establishment of regional arts task forces, in any or all of development regions 6E, 6W, or 8, the regional development commission may by resolution request that the Southwest Minnesota Arts and Hu-

manities Council Incorporated perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task force for that region or regions. If a regional development commission or commissions shall so resolve, the council may perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task force for that region or regions pursuant to Laws 1976, Chapter 3, Section 5, Subdivision 4; provided that nothing contained herein shall be construed to affect or impair authority of the council to accept or disburse other funds which may become available.

Sec. 24. [APPROPRIATION.] Subdivision 1. *There is appropriated to the state arts board from the general fund in the state treasury the sum of \$1,300,000, which shall be administered by the board for grants for the purpose and in accordance with the provisions of the local arts development program established by section 23, except that no more than \$300,000 shall be available for grants within the metropolitan area defined in Minnesota Statutes, Section 473.121, and a sum not to exceed \$10,000 may be expended by each of the regional arts task forces for the purpose of assessing the needs and existing resources of the region and developing guidelines and criteria for funding projects, programs and organizations within the region.*

Subd. 2. There is appropriated to the state arts board from the general fund in the state treasury the sum of \$1,500,000 to be distributed pursuant to section 19.

Subd. 3. The appropriation in this section shall be effective July 1, 1976 and be available for the fiscal year ending June 30, 1977.

Sec. 25. Minnesota Statutes, 1975 Supplement, 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 or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever deliv-

ered, prepared or served, 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;

(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.

(g) *The granting for a consideration of the use of air time, for advertising purposes by a television or radio station;*

(h) *The granting for a consideration of the use of "space" in a "publication" as defined in 297A.25, subdivision 1 (i) for advertising purposes.*

Sec. 26. 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. 27. 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 or 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 297A.14) which is used or consumed in producing 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 airflight 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 prop-

erty 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.

Sec. 28. [APPROPRIATION.] *Subdivision 1. There is appro-*

priated from the general fund in the state treasury to the commissioner of administration for construction and other permanent improvements at the Minnesota veterans home the sums set forth in this section.

Subd. 2. Construct and equip a nursing care facility of approximately 250 beds plus dining facilities for the total home. Cost to include planning and demolition of buildings 1, 2, and laundry building.

State share \$1,925,000

Subd. 3. Fire protection, air conditioning, and bathroom modification, nursing care unit.

State share \$ 66,150

Subd. 4. Fire protection, building 16, and centralized call system for home.

State share \$ 40,000

Sec. 29. Minnesota Statutes 1974, Section 340.11, Subdivision 11a, is repealed.

Sec. 30. Sections 1 to 17 of this act shall apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 2, line 24, strike "2" and insert "32"

Page 2, line 24, strike "3" and insert "33"

Page 4, line 7, strike "1 to 5" and insert "31 to 35"

Renumber the sections in sequence

Underline all new language in the bill

Amend the title as follows:

Line 2, after the semicolon, insert "cultural, recreational and welfare activities; changing the metropolitan parks and open space commission to the metropolitan parks, recreation and open space commission and prescribing its powers and duties; authorizing the metropolitan council to issue bonds and levy taxes therefor; authorizing the council to impose an admissions tax; authorizing the council to impose a tax on certain sales in the metropolitan area; requiring the completion of an environmental impact statement and pollution control agency permits prior to construction of a new sports facility; establishing a panel to select a site; authorizing a liquor license for the commission; requiring a certificate of need for regional recreational facilities; providing for the distribution of moneys to cultural and artistic organizations; authorizing capital improvements to the Minnesota veterans home;"

Line 4, after "money" insert "; amending Minnesota Statutes

1974, Sections 297A.14; 297A.25, Subdivision 1; Chapters 139, by adding sections; 473, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 139.08, Subdivision 5; 139.10, Subdivisions 1 and 2, and by adding a subdivision; 297A.01, Subdivision 3; 473.121, Subdivisions 7 and 14; 473.147; 473.301; 473.302; and 473.303, Subdivision 1; repealing Minnesota Statutes 1974, Section 340.11, Subdivision 11a"

The motion prevailed. So the amendment was adopted.

S. F. No. 2455: A bill for an act relating to taxation; cultural, recreational and welfare activities; changing the metropolitan parks and open space commission to the metropolitan parks, recreation and open space commission and prescribing its powers and duties; authorizing the metropolitan council to issue bonds and levy taxes therefor; authorizing the council to impose an admissions tax; authorizing the council to impose a tax on certain sales in the metropolitan area; requiring the completion of an environmental impact statement and pollution control agency permits prior to construction of a new sports facility; establishing a panel to select a site; authorizing a liquor license for the commission; requiring a certificate of need for regional recreational facilities; providing for the distribution of moneys to cultural and artistic organizations; authorizing capital improvements to the Minnesota veterans home; providing for a refund of certain amounts of taxes paid for the 1975 taxable year; appropriating money; amending Minnesota Statutes 1974, Sections 297A.14; 297A.25, Subdivision 1; Chapters 139, by adding sections; 473, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 139.08, Subdivision 5; 139.10, Subdivisions 1 and 2, and by adding a subdivision; 297A.01, Subdivision 3; 473.121, Subdivisions 7 and 14; 473.147; 473.301; 473.302; and 473.303, Subdivision 1; repealing Minnesota Statutes 1974, Section 340.11, Subdivision 11a.

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 38 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Oordahl	Sillers
Arnold	Frederick	Kowalczyk	Olson, H. D.	Solon
Ashbach	Gearty	Larson	O'Neill	Stassen
Blatz	Hansen, Mel	Lewis	Patton	Stokowski
Brataas	Hughes	McCutcheon	Perpich, A. J.	Tennessen
Chenoweth	Humphrey	Merriam	Perpich, G.	Ueland
Coleman	Keefe, S.	Moe	Pillsbury	
Conzemius	Kirchner	Nelson	Schaaf	

Those who voted in the negative were:

Bang	Davies	Knutson	Olson, A. G.	Spear
Bernhagen	Hansen, Baldy	Milton	Renneke	Stumpf
Borden	Jensen	North	Schmitz	Wegener
Brown	Keefe J.	Olthoff	Schrom	Willet

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

RECONSIDERATION

Mr. Coleman moved that the vote whereby S. F. No. 2455 was passed by the Senate on April 3, 1976, be now reconsidered. The motion did not prevail.

NOTICE OF RECONSIDERATION

Mr. Ashbach gave notice of intention to move for reconsideration of H. F. No. 2188.

RECONSIDERATION

The question recurred on the motion of Mr. Frederick that the vote whereby H. F. No. 2546 failed to pass the Senate on April 1, 1976, be now reconsidered. The motion prevailed.

Mr. Frederick moved that H. F. No. 2546 be laid on the table. The motion prevailed.

RECONSIDERATION

Mr. Conzemius moved that the vote where by H. F. No. 2492 failed to pass the Senate on April 2, 1976, be now reconsidered.

Mr. Coleman moved that the Senate do now adjourn until 10:30 o'clock a.m., Monday, April 5, 1976. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate